

**The Austerity of Neo-Liberalism:
Peasant [De]Mobilization and Special Economic Zones in South India**

A Senior Honors Thesis

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LIST OF COMMONLY USED ACRONYMS

GoI	Government of India
SEZ	Special Economic Zone
EPZ	Export Processing Zone
IP	Industrial Park
APIIC	Andhra Pradesh Industrial Infrastructure Corporation
GoAP	Government of Andhra Pradesh
AP	Andhra Pradesh
SC	Scheduled Caste
BC	Backwards Caste
ST	Scheduled Tribe
OC	Other Caste
INC	Indian National Congress
BJP	Bharatiya Janata Party
CPI	Communist Party India
TDP	Telugu Desam Party
PRP	Praja Rajyam Party
NDA	National Democratic Alliance
IT/ITES	Information Technology/ Information Technology Enabled Services
FDI	Foreign Direct Investment
TNC	Transnational Corporation
ILO	International Labor Organization
MLA	Member of Legislative Assembly
YSR	Yeduguri Sandinti Rajasekhara Reddy

ABSTRACT

Neo-liberal reforms are often met with widespread discontent in agrarian societies. This project examines a specific manifestation of the post-1990 Indian neo-liberal regime, the Special Economic Zone (SEZ), and its impact on marginal farmers. The SEZ Act of 2005 encourages the establishment of single or multi-product export zones, each with a high minimum land requirement (12,500 acres for the latter). The geographically isolated area is comparable to the export enclave or the industrial park, where developers of the SEZ are aided by the government's power of eminent domain (the Land Acquisition Act of 1894) in acquiring desirable land from tenants and landholders. Thus, what was once commons or small-to- medium-holder land then becomes a massive industrial township- its investors not beholden to local governance. Since neo-liberalism throughout the global South has been contested rigorously among the peasantry, it was my aim to investigate why the SEZ, an austere tentacle of economic liberalism, was not being successfully challenged with collective action or organized rebellion.

I spent 30 days in Polepally village, Andhra Pradesh where 1,000 acres of land were acquired for the purpose of establishing a Pharmaceutical and Textiles SEZ. My field research revealed, counter-intuitively, that all but a dozen of the farmers initially *avored* the land acquisition. It was only months after they had signed their land to the government in 2001 that certain members of the peasantry, with outside leadership, organized a haphazard and largely unsuccessful civil disobedience campaign. I hypothesize the cause for delayed and fragmented mobilization is two-tiered. First, neo-populism in Andhra Pradesh has homogenized elite political strategy: politicians laud the pro-farmer platform while simultaneously supporting the neo-liberal regime. Second, a new village social hierarchy has articulated what Mao called a "middle peasant", who supports land acquisition and helps coerce landless tillers and small farmers to follow suit. The implications of such findings suggest that a village-level analysis might prove to be invaluable in assessing the success or failure of developmental reforms. It, further, questions the validity of the land acquisition process for the sake of development as executed under the Special Economic Zone Act (2005). My claims rely on rigorous surveys conducted with 65 villagers- 50 of whom lost their land in the SEZ and 15 who were unaffected, lengthy interviews with 10 local and state-level government officials, 10 interviews with key activists organizing against the SEZ and countless hours observing the daily relations and conversations of the Polepally people.

INTRODUCTION

I. L A N D I N T H E I N D I A N C O N T E X T

Land reform raises standards of living and education. Land reform laws have the potential to mobilize peasants to take action and demand their tenancy rights or redistribution. Both private and government institutions all over the world including the staunchly neo-liberal World Bank and UNDP deem land reform to be a part of their agendas to ameliorate poverty. In India, which has the second highest amount of arable land in the world, 80% of the cultivators are marginal farmers but have ownership over 40% of the nation's land. Yet the only time the words "land reform" are invoked is when populist politicians are seeking the majority vote. In fact, perhaps India's biggest problem, according to Bardhan, is its "accommodationist politics" which failed to take seriously land reform, leaving intact "the real root of poverty" (Ray and Katzenstein 2005:4).

In the Indian political landscape land reform is often used as an umbrella term, allowing neo-populist actors to appear as if they mean business. In actuality, radical forms of land reform that actually redistribute wealth are nowhere to be seen in Indian policy. To help understand these nuances, Herring (1983) divides the act of land reform into three categories:

(1) Tenure reform, which attempts to alter the terms between owners and tenants without fundamentally restructuring the social relations of production, is most often promoted by conservative regimes that do not actually want to change the ownership of land. Tenure programs, according to Herring, tend to be the least successful type of land reform.

(2) Ceiling-redistributive reforms seek to place an upper limit on holdings. They are typically accompanied by an effort to seize landholdings that exceed the ceiling and to redistribute them among the poor and landless. These programs are only “partially and unevenly effective”.

(3) Land-to-the-tiller reforms are much more radical and also the most effective. They abolish rent and grant land to those who cultivate it, thus negating the distinction between owners and cultivators. Land-to-the-tiller reforms are hardly ever advocated in mainstream public discourse, especially since the market reforms of the 1990s. The state government has attempted land-to-the-tiller reform in only one state to this day- Kerala- although in Bengal there were ceiling laws that were, as Herring correctly predicts, partially and unevenly (and corruptly) implemented.

In the decade after independence (1947) there was a series of isolated attempts to do land reform elsewhere. Interestingly, it was the Maoists who most directly addressed landlessness by taking direct action to redistribute property. In Telangana, from 1946-51, 3 million people, under the instruction of Maoists, fought over an area of 16,000 square miles to redistribute roughly 1 million acres of land to the peasantry (Sundarayya 1972:12). These revolutionaries demanded land-to-the-tiller, the abolition of landlordism with enforceable ceilings and the end to all evictions and forced labor. Despite their revolutionary program, there is evidence that landlordism still existed after the struggle, and, more pointedly, landlessness was still flagrant even in areas where the movement was strongest (Reddi 1990). Whether this is because of the elitism within the movement

or the reinstallation of landlords by the repressive Union Government is debated¹. The truth is, as will be seen in later chapters, it was a combination of both; a newly entitled revolutionary elite being co-opted by the Congress government, who was simultaneously vying to form its voter base. Other revolutionary attempts at land reform, albeit non-violent or “Gandhian”, include Vinoba Bhave’s Bhoodan movement, where Bhave and his followers trekked across the Indian heartland, pleading that landlords give up their land to the needy. Despite his impressive accumulation of 4 million acres, critics pointed out that most of the land was never actually redistributed to tillers and gradually ended up back in the hands of landlords (Guha 2007:226).

Finally, Nehru notably instituted what Herring (1983) calls “tenure reform”; the exploitative *zamindari* system backed by 200 years of colonial rule was abolished. This outlawed the infamous rent extraction and vested legal rights of ownership in the tenants. These reforms, however, were severely limited to the intermediate, male agricultural classes, excluding landless laborers, sharecroppers, and women, who continue to fight to obtain land titles (ibid). In reality, feudal relationships, usury, rent-racking, and low wages did continue to exist, in some regions exceptionally so, which may be attributed to the fact that ceiling laws were ultimately seen as too politically risky to enforce (Sundarayya 1973). Although the pundits hailed Nehru’s policy for putting 20 million tenants into direct entitlement to land, they spoke too soon (Chattopadhyay 1973:3). They seemed to forget that the colonial-backed local bureaucracy still deeply plagued the Indian countryside. Before long, the “active connivance of the land revenue administration” had allowed landlords to resume ownership in much of the areas that

¹ Reddi (1990) argues for the former, while Sundarayya (1973) argues the latter. It should be noted that Sundarayya, a participant and leader of the Telangana armed struggle, would not have it in his political interest to argue the former.

underwent reform (Bhalla 1983:43). All of these abortive attempts led to a situation in 1960 where small peasants with 4 hectares (9.8 acres) or less, comprised 81.81% of the total landholdings and owned only 38.83% of the arable land (Guha 2007:227). As Myrdal (1972:41) notes in regards to India's political commitment to land reform, "The South Asian planners remain in their paradoxical position: on a general and non-committal level they freely and almost passionately proclaim the need for social and economic reform, whereas in planning their policies they tread most warily in order to not disrupt the traditional social order" (Mohanty 2001:3858).

Myrdal's statement came to greatly reflect the see-saw motion of Indian populist actors in the contemporary age. They, on one hand, speak the language of land reform, rural employment and ration cards, yet on the other they are actively planting seeds of neo-liberal land use transformations. With the Special Economic Zone (SEZ) Act (2005), massive tracts of land are being acquired all across India to establish industrial parks. These sweeping geographical changes have transpired with little political opposition at the elite level. Populist actors use their clientelistic linkages to deftly move past *subaltern political opposition*², one of the most potentially ruinous barriers to the construction of the SEZ. As will be seen later, in many instances peasant opposition has actually delayed, and in rare instances, arrested the erection of SEZ units. Thus, while providing handouts to elite farmers, politicians benefit from local elites who help pass

² The word *subaltern* first appeared in the prison writings of Antonio Gramsci (1923-1932), which some believe he used to secretly refer to the proletariat, or any group without socio-political power. He saw the subaltern as a class that would overcome its oppression through a broad cultural, historical, political and social struggle that would affect all aspects of society. In postcolonial terms, the word has come to mean something more specific. According to Gayatri Spivak *subaltern* is not "just a classy word for oppressed" but rather "everything that has limited or no access to the cultural imperialism is subaltern — a space of difference". Spivak, Gayatri Chakravorty. "Can the Subaltern Speak?" in *Marxism and the Interpretation of Culture*. Eds. Cary Nelson and Lawrence Grossberg. Urbana, IL: University of Illinois Press, 1988: 271-313.

neo-liberal reforms via the coercion of landless tillers and small farmers. In the process, a new social hierarchy is articulated, leaving the small and landless laborers in a precarious position. Ironically, at the towering height of India's Western "liberalism" we see a return to feudal, patriarchal relationships between marginal and landed members of the village. This goes against the Marxian, materialist chronology of the universe- as capitalism progresses so too should migration to the towns, which were centers of industrial growth (Marx 1845). With the ever-increasing expansion of capital, the proletarianization of the peasant will lead to alienation, and then liberation through revolution. In the situation of the SEZ, we skip the part where the rural masses migrate to the "town" in search of jobs; instead the "merchants" or the industrial capitalists move the town to the countryside. It is my aim to show what happens in this unusual situation, where the peasant is actually alienated but *remains* within the village, "returning" to a semi-feudal relationship with remaining landlords. The implications of my findings suggest that a village-level analysis might prove to be invaluable in assessing the success or failure of developmental reforms. Further, my research questions the democratic validity of the land acquisition process for the sake of development as executed under the Special Economic Zone (SEZ) Act (2005). All of my claims rely on rigorous surveys conducted with 65 villagers- 50 of which lost their land in the SEZ and 15 who were unaffected, lengthy interviews with 10 local and state-level government officials, 10 interviews with key activists organizing against the SEZ and countless hours observing the daily relations and conversations of the Polepally people.

II. METHODOLOGY AND RESEARCH PHILOSOPHY

In the two months I spent collecting data in villages across the Indian Subcontinent, I learned a deep lesson in the subject of the self. John Duvignard said, “For the most part, the village yields itself to the investigator and often [s]he is the one to take refuge in concealment” (Duvignaud 1977: 217). I recall entering a dimly lit room in the midst of the July monsoon, expecting to conduct my questionnaire with a family of three. Instead, I was greeted by 30-40 poker-faced men, all sitting Indian-style on a thatched rug. They were eager to listen to an American girl, the age of their daughters, speak. The men’s faces were lit only by candlelight as the perpetually- temperamental electricity had gone out moments before our encounter. The farmers spoke raucously about how their lives are becoming increasingly instable, their cropping patterns are changing and the banks are failing them. Then they prodded me incessantly about American technology and governance. What are the top three crops in America, and how much does the market pay per quintal? How much am I getting paid to do this research? How much did my plane ticket cost? These were the daunting times in which “seeking refuge” looked appealing. However, to do so would say that the village was unsuitable for me. I, thanks to the encouragement of my advisor, stuck it out and tried to answer their questions honestly, constructively. I remember leaving that particular evening; with three farmers approaching me. One placed a gentle but hardened finger to my forehead. He said, “No one has ever listened to us like this. You are like our daughter”. This sort of prematurely melted away much of my skepticisms of myself.

When I went to Polepally, all of these skepticisms returned. The initial conversations I had with people who had lost their land assumed a markedly different demeanor. To make a gross understatement, people were not flattered by my presence,

let alone willing to summarize their woes so I could quantify them and put them in a spreadsheet. In fact, on my first day in the village, the *sarpanch* (the village chief) openly declared war on me, “Who asked you to come here? I could tie you to a stick if I wanted to!” Many people, it seemed, were bitter towards anyone with whom they associated with wealth, power, media, and the state. I told them I was an American and they were repulsed; I told them I was a Bengali and they said “even worse”. I realized that the answers they were giving me, an elite cosmopolitan, an American, an American Indian, a student, a property-owner, were a reflection of what they, peasants, Telugus, Indians, land-losers, subalterns *viewed me as*- an extension of the empire that crushed them. The transfer of “misinformation” was certainly not one-sided. Something I suspected but only confirmed after my stay in Polepally, was that my translator’s interaction with the people was reflective of what he, an upper-caste, intellectual, coming from a capitalist farmer background, perceived of *their* attitudes and statuses – hostile, insolent, and ignorant. That is not to say that as time went on, Vijay, my translator, didn’t also admit some of his own ignorance. However, to begin with he was often compelled to twist an arm as a means to extract information, for example, by spouting manipulative or exaggerated responses to the question “what will *you* do for *us*?” One conversation, with a 59-year old Muslim land loser, Abdul Bharat³, in the dank, beer bottle ridden storage space of his corner store transpired as such:

Abdul: What corporation are you from? What profit is it in you?

3rd Man: profit to us or profit to you?

Translator: This girl came to study here from America. This girl’s *sir* [*as in “professor”*] is an Indian. Her studies are totally about farmers losing their land. So, her professor is interested in this.

Abdul: So then, it *is* profit to them. So what profit are you going to bring to us?

³ All names of respondents have been changed or kept anonymous unless I was given explicit permission to include their name.

Translator: Her professor and she will find out what is happening here and hundreds of people from different countries will come somewhere and she and her professor will explain to them what is happening here that she witnessed.

Abdul: Those “sons” [*“sons” is rude, implying “sons of bitches”*] don’t know what’s happening here? Somebody has to see this to realize what’s happening? Those sons won’t know? It’s not a topic about 10 rupees or 5 rupees. It’s not like you came to my house and fucked [*as in “stole”*] a kilogram of my gold. I don’t have anything and you fucked [*as in “stole”*] all my gold and this is not ...[sentence is unintelligible].... *Aasthi* [property] and *sthira aasthi* [fixed property] ...[he pauses]... Both those properties are same for me.

Translator: [Tries to clarify meaning of *aasthi* & *sthira aasthi* from Muslim Man.]

Abdul: No, *aasthi* means rupees or something else that people can steal from you. *Sthira aasthi* means a fixed property like land for us, which you get from ancestors. Those sons of bitches don’t know that. And what is this about being a witness and all? On average they took 400 to 500 acres per village. And sometimes: thousand acres. We made so much noise ...[sentence unintelligible]... Whose parents’ property is this – don’t they know? What are real *pattalu* [papers]? Whose land is this? Don’t they know? All these people are coming and writing and going. Don’t they know to whom the land belongs? Don’t they know that they have taken the land? Everybody is struggling. Right now, near my land, each acre is selling for 20 to 18 lakhs. This guy’s and a few other farmers’ land all including about 30 lakhs near highway is selling for 30 to 50 lakhs per acre. 50 for them 60 for me [sentence unintelligible]... I signed right in the middle only. Will you give me land or not, they asked. And they wrote that they will give money in short time of 20 lakhs per acre so I signed. Then they turned back later and said they can only give up to 50 to 60,000 per acre. ... I didn’t tear my hair, I didn’t go towards my land. Then on the land there are *eeumlu* [word unknown to this writer] and courts are involved. What about this situation? I didn’t take money yet and it’s been 4 years. What is this?⁴

The above passage, though disturbing, reveals several important lessons that can be learned by the serious student of academic research. First of all, the broader point Abdul is explicating is that land in Polepally signifies something more than crude property. We can extrapolate that he speaks on behalf of the lot of Polepally land losing farmers when he says “us”. Abdul is telling Vijay and me something that he suspected we and “those bastards” [meaning the many catalysts of land acquisition] are ignorant of. Land, he asserts, is something deeper- something that has been bequeathed to them by

⁴ Bharat, Abdul. Interview. 15 July 2009.

ancestors. It should not be understood solely as “mystical”, but rather as the consistent and abiding material basis off of which they live. Land can be imagined as something that in English we do not have a single word for, which in Telugu is *sthira*. In Sanskrit *sthira* means “steadiness”. In ayurveda, there is another meaning.

sthira (sthē•rā),

adj in Ayurveda, “static” as a guna, one of the qualities that characterizes all substances. Its complement is chala. See also gunas and chala.⁵

One Telugu-English translator described *sthira aasthi* as “fixed” property.

Another important thing that can only be derived from the vernacular is the extent to which I am, according to him, *implicated* in his suffering. Given that this is not just a colloquialism as it might be in English, he conflates me with the SEZ power holders i.e. when he says “I don’t have anything and *you* fucked [*as in “stole”*] all my gold...”. This is brutal confirmation that he sees me as an extension or associated with those who led him to deprivation. More poignantly, he repeatedly bemoans alterations of the question, “Those *sons* [implying *sons of bitches*] don’t know what’s happening here?” after Vijay, exaggeratedly, explains that I will present this work in an American forum to “hundreds” of people. This part of Abdul’s lamentation suggests that he believes that America is not *so* remote (politically, geographically?) for it to be absurd to expect Americans to know, and care about his suffering. One can extract that he further believes Americans to be part of the problem. This is confirmed when he inquires, “What corporation are you from?” and “What profit is it in you?”

⁵ Source: Mosby's Dictionary of Complementary and Alternative Medicine, 2005. Edt. Wayne Jonas.

Despite the thick web clouding my vision, quite naturally spun by a less-than-perfect Telugu-English translation, Abdul's questions were recognizable and piercing. "What was in it for me?" seemed to be the most blatantly personal one of them all- it was far more personal than "What kind of crops do they grow in America?" I rationalized to myself, I was not profiting from the research per se, as I was certainly not making any money from it. On the other hand, I would, potentially, gain social prestige. I might publish this material, and readers like yourself, would either applaud my work or snub it. Regardless, my work, my *ideas* would be received and hopefully transformed by other human minds. Perhaps, more importantly, his testimony reminded me that the binary, between researcher and "object", no matter how hard I wanted it to disappear, was flagrant, real, and urgent. It was not going anywhere; it was backed with 200 years of colonial rule and a host of post-colonial, Orientalist depictions. Out of this emerged the deeply ontological criticism of the *nature* of the dialogue I (and my translator whose thoughts and beliefs I was bound to by default) was bringing to the field.

Two things had to be done. First, knowledge could no longer be imparted or extracted unilaterally with one side giving and the other receiving. "People are not machines or objects that can be worked on like motor cars. They have to be worked with" (Jeffs and Smith 2005:70). Traditional research, which works on people like cars, has a great tendency to enforce the binary between colonizers and colonized. One party, the civilized Western elite, enters a village with a looking glass and insect repellent, while the Other, is objectified and often mystified. In reversing the colonizing mission or the subject-object dilemma, the analysis must be made part of the act and every act must be an analysis (Friere 1970). More incisively, "the true partisan [with the movement for

social justice] is the true scientist and the true scientist is the true partisan.” This view, claims K. Balagopal, a late Human Rights lawyer to whom much of my research is indebted, “does not...rule out the possibility of criticism, but where the act and the reflection are in truth aspects of one and the same, true criticism can only be self-criticism” (Balagopal 1997:2253). As Marx (1845) writes in his critique of Feuerbach, “The philosophers had merely interpreted the world,” whereas “the point is to change it”. The realm of political science has failed in its job to provide critical social information on movements for land. The result has been the domination of this information production by the Intelligence Bureau, facilitating a volatile “law and order” approach to the discipline⁶. It is my aim to bolster other academics that are bold enough to contradict this trend. Finally, a volume of literature in the realm of “political ecology”, mainly focused on Latin America, suggests that indigenous or marginalized peoples “do indeed produce their own knowledge about the situations they face, and furthermore this knowledge often constitutes sophisticated frameworks” on development (Escobar 2008:5). In reference to Black and indigenous activists of the Colombian pacific who are fighting TNCs for the access to land and resources, Escobar asserts that subaltern views “can no longer be overlooked in any discussion of globalization...”(ibid). My research is rooted in this paradigm, as it largely relies on interactions with *adivassis* (indigenous peoples) and Telugu marginal farmers in the village, Polepally, Andhra Pradesh. I seek to define the alternative development narrative, that of the peasantry, as knowledge in itself. Using my experience, I carve out not only a dynamic subaltern history of the peasant struggle against the development regime of the state but also an alternative to existing political

⁶ Agrarian Myths and Facts, 1981. Economic and Political Weekly.

theories, which are inadequate to explain the village level conflict that arises from neo-liberal land transformation.

III. WHO ARE THE SUBJECTS: CONCEPTUALIZING THE PEASANT

There has been much discrepancy on *whom* or *what* exactly is the peasantry in the context of scholarly peasant studies. Some such as Kurtz (2000) have point out that a lack of academic consensus as to how to *conceptualize* the peasant has caused incompetence in creating theory on peasant behavior. Does “peasantry” denote simply an occupation or is it an identity? Is there a qualitative difference between the owner and the non-landowner as distinguished by de Janvry (1981) and Deere (1986)? Is it a prerequisite that the peasant experience a degree of oppression or subordination as Marxists and moral economists assert (Scott 1987)? This analysis will rely on a broad material definition, as articulated by Mao Tse-tung, when talking about rural Chinese society in (1933):

- (1) A landlord is a person who possesses land, who does not engage in labor himself or merely takes part in labor as a supplementary source of income, and who lives by exploiting the peasants. The landlord’s exploitation chiefly assumes the form of collecting land rent; besides that, he may also lend money, hire labour, or engage in industrial or commercial enterprise.
- (2) The **rich peasant** as a rule possesses land. But there are some who possess part of the land they farm and rent the remainder...The rich peasant as a rule possess comparatively abundant means of production and liquid capital, engages in labour himself, but regularly relies on exploitation for a part or the major part of his income. The exploitation the rich peasant practices is chiefly that of hired labour. In addition, he may also let a part of his land for rent, lend money, or engage in industrial or commercial enterprise.
- (3) In many cases the **middle peasant** possesses land. In some cases he possesses no land at all and rents all the land he farms...The middle peasant relies wholly or mainly on his own labour as the source of his income. As a rule he does not exploit other people; in many cases he is even exploited by other people and has to pay a small amount of land rent and interest on loans...The middle peasant as a rule does not sell his labour power.
- (4) In some cases the **poor peasant** possesses a part of the land he farms...in other cases he possesses no land at all, but only an incomplete set of instruments. As a

rule the poor peasant has to rent land for cultivation...While the middle peasant need not sell his labour power, the poor peasant has to sell a small part of his- this is the principal criterion for distinguishing the middle peasant from the poor peasant. [We will call the poor peasant the **small peasant**].

- (5) The **worker** (including the farm labourer) as a rule does not possess any land or implements...A worker makes his living wholly or mainly by selling his labour power.

Several things must be said about this classification. One is that these labels are not only descriptive of an occupation but have become part of peasants' social identities, which, partially, was why Mao was able to mobilize people along these lines. The other obvious part of Mao's logic is that peoples' relation to property directly affects their potential for revolutionary action. In *Democracy in America*, Tocqueville's painfully inapt statement "Most inhabitants of a democracy have property" was followed with a keen hypothesis "Men whose comfortable existence is equally far from wealth and poverty set immeasurable value on their possessions. As they are still very close to poverty, they see its privations in detail and are afraid of them; nothing but a scanty fortune...keeps them there from [waging revolution]" (Tocqueville 1889). In 1840⁷ Tocqueville was asserting that one's relation to property directly impacts his capability to revolt. This hypothesis has been bolstered by many 20th century peasant scholars such as Paige (1975), who mapped world agrarian revolutions according to the peasants' dependence on land (versus dependence on capital). As we will see, the mechanisms by which peasants are deterred from acting are miles away from what the aristocratic French historian was suggesting. Tocqueville ignores any explicit mention of class, yet he is astute in suggesting that one's political identity, specifically one's willingness to revolt, forms around his/her relation to land. This has determined the fate, and often the death, of organized rebellion in India and elsewhere.

⁷ Tocqueville began writing on his experience in America in 1840 but did not publish Vol.1 until 1889.

Secondly, in rural India, Mao's divisions have become inextricably linked to the caste system. Although the *jati* system as described by the *Manusmriti* did not have room for the different peasant distinctions, it originally divided the Hindu population into four mortal job categories: Brahmins, *kshatriyas* (warriors), *shudras* (servants and bonded laborers), and *vaishyas* (merchants). It was only in the 1950s that the Government of India wrote into its Constitution a new order, demarcating **Scheduled Castes (SC) and Scheduled Tribes (ST)** from **Other Backwards Castes (OBC)**, **Backwards Castes (BC)** and **Forwards Castes (FC)**. The Constitutional framing has, somewhat ironically, come to coincide with Mao's peasant divisions. SC and ST typically correspond to the worker and the poor peasant⁸. For instance during the 1985-1995, 70% of the total members of the Scheduled Caste were marginal farmers (those having less than 1 ha.), 16% were small farmers (those having 1-2 ha.); only 8% were semi-medium (those having 2-4 ha.). Each of these cohorts would fall under Mao's classification of a small farmer. As a comparison, fewer (only 4%) SC was classified as medium (4-10 ha.) and less than 1% was reported as large (10 ha. and above). Also under Mao's small farmer classification would fall the whole of the Scheduled Tribe. 40% of the members of the ST cohort can be classified as marginal, roughly 24% being small and 20% semi-medium (Indian Agricultural Brief 1995). BC, Backwards Castes, typically are middle farmers, whereas OBC denotes Muslims, who have historically been excluded from the caste system. FC, it follows, signifies the landlord class. There may be some overlap between the OBC and the FC. It is important to note that not only for government census purposes has this classification been used but also the Scheduled Caste label has recently

⁸ The word *Dalit* is another term for those who have traditionally been classified as "untouchable". Although the word *Dalit* is of Marathi origin, it designates an array of lower caste groups across India that speak many different languages.

been internalized to a certain degree. Thus, when a peasant in Telangana is asked “What is your caste?” the response is often the classification as written by the Constitution i.e. SC, rather than their *jati*. Finally, it must also be mentioned that divisions in class existed from time immemorial, but peasant cleavages have arisen not from inherent differences in the groups but rather out of differences in effective power associated with particular caste meanings and practices.

IV. HYPOTHESIS AND BACKGROUND OF ARGUMENT

In 2001 when the Government of Andhra Pradesh (GoAP) forcibly acquired 1,000 acres of land from two villages, Polepally and Mudureddypally, for the establishment of an Industrial Green Park, later to become a Pharmaceutical and Textiles Special Economic Zone (SEZ), only those belonging to the small and lower end of the medium peasant group questioned, protested, or tried to sabotage the land acquisition process. The easy explanation for this discrepancy is that the middle-large peasants were receiving large injections of fast, easy cash in a declining agricultural market, but this is not enough to explain why they would merrily sell their land for seemingly much below market value, publicly or secretly declare allegiance with SEZ developers, and why they would be openly hostile towards small peasants who were organizing for their rights *after* the compensation process was over. A market economist might hypothesize that it was less of an opportunity cost for small peasants to participate in organized rebellion. This hypothesis quickly falls apart: by observing the behavior of elite peasant groups, I found that they expended much time and energy by actively trying to work against the anti-SEZ movement. One central question to be answered in this thesis is: who are these middle-

large peasants in the Telangana milieu, and how did they come to be in a strategic position for co-option by neo-liberal advocates?

Peasants have been imagined by many to be rational economic actors (Popkins 1979). The value at which the government formally compensated *pattadors*⁹ for their land—a scant Rs 36,000 (\$720) was a little less than double the amount granted to “assigned land beneficiaries” (largely SCs and STs) - a meager Rs 18,000 (\$360). This amount was not only three times lower than the market value of land at the time of acquisition, but also it fails to take into consideration *land* as something more than a crude piece of property, or, as Abdul said, land as *sthira*. Land is the only source of wealth for some 60% of India’s population. Although the poor urban counterpart to the rural small farmer may make an overall higher income, there is no doubt he/she is less secure. A study by the Arjun Sengupta Committee showed that 77 percent of Indians have a daily per capita expenditure of less than Rs 20 or less than \$0.5. Although an overwhelming majority of the 23 per cent Indians who have a per capita expenditure above the national average live in cities, the urban poor eat, access health care, educate their children even less than their rural counterparts¹⁰. Other studies have suggested that child mortality is higher and women’s fertility is lower in poor urban communities than in rural areas (Chattopadhyay et al 2005).

The biggest difference between the small farmer and the factory worker is that “farmers’ money *makes money*”, whereas a proletarianized man’s wage does not¹¹.

Neither of these disadvantaged groups has been given the proper training or opportunities

⁹ A *pattador* is any farmer who has inherited his/her land and has legal rights to sell and/or transfer the land. This stands in contrast to “assignees” who are those who have been granted land by the state government and do not have legal rights to sell nor transfer the land.

¹⁰ Mishra, Neelabj. Not One Naya Paisa. *Outlook Magazine*. November 2008.

¹¹ Ramanjaneyulu, GV. Interview. 30 August 2009.

to invest in capital, but the former does not *need* to know how to amass wealth. He arguably has had enough to get by (even though some have argued that the peasant tiptoes a line of destitution; Scott 1985) via the safety net of the village. The factory worker is arguably in a more precarious situation, being continuously dependent on a boss who may exploit or dismiss him at any point. Therefore, when the small farmer finally loses his land to the big business, any wealth he is compensated disappears rather quickly. The unawareness of the concept of investment—essentially not knowing the rules to the “capitalist game”—prevents him from investing in capital or land and quickly turns the small peasant into a wage worker. Since migrating to slums to find construction work is the absolute last resort, he becomes subordinate to the hierarchy of the village. Hypothetically, the elite forces in the village would be medium-large land holders. But don’t the landlords also lose their land in the SEZ and migrate to cities to become entrepreneurs or get jobs in the companies?

In Polepally it must be stated that, first, there were 1,000 acres acquired for the establishment of the SEZ and over 3,000 total agricultural acres in the village. This leaves at least 2,000 acres of agricultural land after the land acquisition process was complete, all of which was *patta* land, land not owned by the small farmers, SCs, and STs. Second, for reasons that will be explained in later chapters, there remains a dwindling population of landlords in Polepally, hence only a small population who may be Western-educated and know the rules of capitalism. Therefore, with the landed elite missing there remains mainly the middle-large peasant and BCs as proprietors of land. The middle peasants are neither wealthy nor educated enough to know how to invest in capital but also have not become landless laborers because, after acquisition, they still

own a portion of land. They are bolstered by 1. A recent injection of liquid capital from land sales; 2. The fast appreciation of the remaining land value due to private and public investment in the SEZ; and 3. A new sense of nationalistic pride that comes from being in a position of power over the powerless. Their mode of production, because not supported by capital, is now supported by a new class of landless laborers, who are increasingly dependent on their new “patrons”. Indeed, they evolve into something that closely resembles Mao’s “rich peasant”, while small peasants become what he calls, simply, “workers”.

Since the district in which the study takes place, Mahbubnagar, is one of the most backward districts of the country and traditional *jajmani* (caste-based labor exchange) still exists in many places, a semi-feudal system emerges from these ruins. This is one of the ways in which the middle peasant has profited, but this still does not explain why they originally would have entered into such an agreement willingly- even joyously- with the Andhra Pradesh Industrial Infrastructure Corporation (APIIC). It is this mystery that this project will seek to unlock. Although this thesis *will* explain why the SEZ is undemocratic, that will not be the central aim of this project. My main purpose is to explain the mechanisms by which neo-liberal actors have passed massively unpopular reforms in the South Indian countryside. Why has organized rebellion failed?

CHAPTER 1: PRIVATIZING THE COMMONS

In 2000 Shri Murasoli Maran, then Commerce Minister to The National Democratic Alliance (NDA) government, led by the Bharatiya Janata Party (BJP), made a tour of the Southern provinces of China. There he visited the world’s largest Special

Economic Zone (SEZ), in Shenzhen. The SEZ was introduced in 1979 according to Deng Xiaoping's vision as a "practice of market capitalism" within a community guided by the ideals of "socialism with Chinese characteristics". In contrast, others have indicted Xiaoping's philosophy to mean "sacrificing equity for growth"¹², especially in lieu of rising corruption, speculations on the black market for foreign exchange, materialism, frauds and other economic crimes (Wong 2007:78). "Shenzhen" meaning "deep drains" was notorious in the Ming Dynasty (thirteenth century) for its hilly intersection of snaking waterways and paddy fields. It has since then become a 790 square mile, geographically-isolated industrial zone, a burgeoning economy, and a major recipient of foreign capital (Wong 2007:75). The gross industrial output of Shenzhen increased thirty fold from 60 million Yuan in 1979 to 1,800 million Yuan in 1984 (ibid). Since 1984, this growth has been questioned due to its failure to attract foreign investment (except from Hong Kong), the limited FI being characterized by simple subcontracting or intermediary processing of light industries, its net outflow of foreign exchange, net drain on government fiscal resources, and social problems (ibid). The Shenzhen SEZ still continues to be lauded as wildly successful with its "cheap contractual labor and world class facilities funded by foreign investment"¹³. China used the model to virtually turn the country into the world's biggest factory; Maran, inspired by China's example, went on to incorporate the SEZ into the fabric of India.

In 1991 India faced a nasty balance of payments crisis and was up against a wall; either they could let everything collapse or open its doors to the world market and make way for a Western style neo-liberal regime. It chose the latter; some were so elated that

¹² Upadhyay, Ashoak. *SEZ idea must be re-visited*. The Hindu: Business Line, 2006.

¹³ Upadhyay, Ashoak. *SEZ idea must be re-visited*. The Hindu: Business Line, 2006.

they prematurely declared the Permit Raj dead. It turned out that it was still very much alive, and the economic reforms did not attract the investment they were hoping for. The market reforms of 1990s did not produce the desired results, especially in the Indian manufacturing sector, which witnessed a slump in the second-half of the decade. Endless red tape, lengthy administrative procedures, rigid labor laws and poor physical infrastructural facilities were a blockage in the flow of Foreign Direct Investments (FDI). The environment for investments in India, despite the drastic liberalization of the economy imposed by the Central Government, was not congenial to the foreign market. Thus, after being stunned by China's booming investment, Maran returned to India and swiftly introduced a Special Economic Zones (SEZ) scheme into the Export and Import (EXIM) policy on March 31st 2000. This transpired with little opposition except minor complaints from parliamentary Marxists on the grounds that a "hire and fire" labor policy was totally absent from the scheme (Gopalakrishnan 2009).

Apparently from January 2000 until the SEZ rules were approved in 2006, SEZs were functioning under the "provisions of the Foreign Trade Policy and fiscal incentives" and "through the provisions of relevant structures" (Indian Ministry of Commerce)¹⁴. Finally in 2005 "with a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investments in India" the Special Economic Zones Act was drafted and sent to receive Presidential assent (ibid). Before Prime Minister Singh could even sign the document, at least 100 SEZ proposals had been given clearance in AP alone (ibid). As of March 18th, 2010, according to the

¹⁴ <http://sezindia.nic.in/index.asp>

Department of Commerce, there were 574 formally approved SEZs, 350 notified as of February 2010 and 151 of valid in principal approvals. As per December 2010 there were 105 operational SEZs in India, 61% of which are focused towards the IT/ITES (Information Technology/ Information Technology Enabled Services) sectors (Seethalaxshmi 2009:7).

I. EVOLUTION OF THE SPECIAL ECONOMIC ZONE

Although the way the SEZ imagines space, redefines the urban-rural relationship, creates borders, introduces foreign players in a dominantly rural setting and sets a precedent for export-driven development is a largely modern realization, it has equally novel, less dramatic worldwide predecessors. As will be seen, the evolution of the geographically-quarantined development project has become more aggressive, more oriented towards foreign investors and IT/ITES, and more corporate-driven rather than worker-friendly. Conspicuously absent from the following outline is a description of land acquisition, which has been reserved to follow this section. This is precisely because there has been a stark deficit of reporting and scholarly work on development's relationship with land until very recently, where farmers and activists have started to raise consciousness on this issue. The historical information in this section is taken largely from American and British news archives. This section also sheds light on Indian policy precursors to the SEZ, descriptions of which are taken from Indian business news archives and government press releases.

As far back as the early 20th century, highly industrialized nations such as the US and the UK were considering novel ways to transform rural geography to accommodate

high intensity development. Emerging from the Depression and encouraged by recent economic boosts from World War II, one finds an invitation in a local Glasgow newspaper calling on the public to attend an “Industries Fair”. It is apparently a tribute to the city’s first Industrial Estate: “The Hillington Estate represents a new departure in industrial planning, and its amenities will come as a revelation to those who have not yet made its acquaintance”¹⁵. The Estate consisted of an area of 320 acres, prior to 1937 utilized for agriculture only. It became a highly technical manufacturing township with 96 “tenant”-controlled, highly condensed production units. It became a precedent for ten more Industrial Estates of its kind by the end of the 1940s¹⁶.

What was called an Industrial Estate in Scotland (and elsewhere such as Hong Kong) came to be well known by the late 1950s as an Industrial Park in the US and Canada. The first American park, Nela, was founded in 1910 in a suburb outside of Cleveland, Ohio. It emerged out of a collective of electrical product manufacturers that sought to standardize and unite the nascent industry. The group was dissolved by the city government of New York and told to operate under a “brand [corporate] name”; it thereafter became the world’s first Industrial Park¹⁷. The Industrial Park, like the Industrial Estate, is a defined, geographically-isolated area that has been zoned and planned for the support of certain industries. As was the first park, Nela, they were often constructed in remote locations several miles outside city limits and had strict

¹⁵ After Only Two Years: Industrial Estate Progress. The Glasgow Herald, 13 June 1939.

¹⁶ Industrial Estate Disappoints. The Glasgow Herald, 17 December 1948.

¹⁷ Mortice, Zach. GE’s Nela Park: Modern Product Showroom in 18th-Century Garb. *AIArchitect*: Vol. 14. 28 September 2007.

government controls to maintain an “attractive” façade and tolerable levels of pollution. The 60s-90s saw a worldwide rise in industrial parks as a means by which nations demonstrated economic superiority in the free trade world. Take, for example, the 5,000-acre Hsinchu Science Park (1986), labeled “a symbol of great Taiwanese pride”.

Two years after India opened its economy to the free market, the Central Government introduced the Export Promotion Industrial Park Scheme (1993-94) to give impetus to “the State Governments in the creation of infrastructural facilities for export oriented production” (Government of India 1999). The scheme was updated in 2002 to include 100% tax exemption for developers. A revised Draft Industrial Park Scheme was prepared in 2006 and was finalized in 2008. It is notable that the 2008 scheme sparked a flame in the real estate world, as it contradicted portions of the agreement launched in 2002 that granted a 10-year tax exemption to industrial park developers. Now, in order to gain the tax exemptions, a developer had to meet several stricter requirements than those of the 2002 agreement. For example, the park had to maintain a minimum of 30 tenants (up from three) and a minimum area of 50,000 sq m (up from 15,000 sq. m). Further, industrial activity which now accounted for a minimum 75% of the constructed area had to be centered on at least one of the following: (a) manufacturing (b) research and experimental development in natural sciences and engineering (c) development of computer software or (d) IT enabled products (Government of India 2008). In short, the Government of India (GoI) wanted to make the park sector-specific and more attractive to large businesses versus small real estate companies.

One more step towards the hyper-capitalist export enclave is the Export Processing Zone (EPZ). The EPZ is different from the Industrial Park in the fact that the former is specifically designed to lure foreign enterprises that are not interested in the developing nations' comparatively small market but are ready to take advantage of low-cost labor to produce for world consumption. There are approximately 3,000 SEZs worldwide¹⁸, and the large majority operates in developing countries (ILO 2003). Further, EPZs are areas with more relaxed state controls and bureaucratic procedures in import, infrastructure and sometimes labor laws (Seethalaxshmi 2009). They are also industrial zones in which imported materials undergo some degree of processing before being exported again (ILO, 1998). The investors are encouraged to process and export all intermediate products "without adversely affecting the domestic economy"¹⁹. Early precursors to the EPZ include the free trade zone in Colon, Panama (1948), which started off by offering 50% income tax exemptions to its foreign investors, upping it to 90% in 1958. The "fenced in zone" covers 96 acres, with 76 companies invested in it, including several large American corporations (Seethalaxshmi 2009:4). The prime advantage of the zone is advertised as its geographical location. It is "in the hub of hemispheric trade and shipping activity" and features the annual passage of 7,500 ships of thirty-four maritime nations through the Panama Canal and 7,000 air carrier arrivals and departures (ibid). Being able to import unfinished products or raw materials into the zone without duties, bonds fees, or even import licenses with low labor costs to process materials were

¹⁸ *Special Economic Zones: An Indian Perspective*. Seth Associates, Advocates and Legal Consultants. http://www.sethassociates.com/special_economic_zones.php

¹⁹ Bijoy, C.R. Special Economic Zones: Profits at any Cost. 22 October 2007. <http://sez.icrindia.org/2007/10/29/special-economic-zones-profits-at-any-cost/>

all part of “luring investors”. Similar models with slight moderations and different names such as foreign exchange zone or free trade zone were popping up all over the world in the 1960s. By 1984 10% of all of the world’s trade was flowing through a free trade zone with 83 in the US, five in mainland China, three in Taiwan, two in Israel, six in Syria, 21 in Spain, one in Gibraltar, and nine in Colombia²⁰.

The EPZ has come to be a similar but seemingly more austere version than what was observed in Panama. In Taiwan the first Export Processing Zone (1967) was an 170-acre light industries zone with a “high barbed-wire-topped wall” and “strict control of everyone who enters and leaves through its gates to ensure that products from the zone are for export only and cannot even be smuggled into the Kaohsiung (the metropolis and harbor in which the zone sits)”²¹. Japanese and Dutch investors were prevalent, but American electronics manufacturers were clearly the largest investors. The majority of workers were young girls from Kaohsiung, who came to do meticulous handwork such as garments, toys, jewelries, and furniture earning a monthly wage of \$15 to \$20 for a 48-hour workweek. As a result, production was a third to a quarter cheaper than in the US and the zone was deemed a success (ibid). Other EPZs were founded around the same time in Puerto Rico (1962), Mexico (1964), South Korea (1971), the Philippines and Malaysia (1972)²². In Africa, EPZs were built in Kenya, Zimbabwe, Togo, and Mauritius, the latter being the only successful of the bunch. The EPZ is often credited for the Mauritius nation’s catapult in the 1980s from low-income ranks to the middle-income

²⁰ Dropping the Barriers: Free Trade Zones Springing up Around the World. Associated Press, 1984.

²¹ Tillman, Durdin. Industrial Zone Helping Taiwan. The New York Times, 13 Aug 1967.

²² Jakhade, Jayashree. *Is the Hype Over Special Economic Zones Justified?* Express India, 7 July 2000. <http://www.expressindia.com/news/fe/daily/20000707/ffe04091.html>

category, as measured by the World Bank²³. The first EPZ in India was in Kandla, Gujarat (1965). This was followed by the establishment of the EPZ in Santacruz, Mumbai, commencing operations in 1973. After that, there were five more founded in Kochi, Chennai, Falta, Noida, and Vishakapattanam (1984). The first private EPZ was that in Surat, Gujarat, which began operations in 1998 (Seethalaxshmi 2009). Although, from 1991 to 2000, there was a relaxation of the bottlenecks, liberalization of the provisions, simplification of the procedures and various kinds of new units such as agriculture, trading, horticulture, re-engineering, trading, and aquaculture units were granted permission to set up their business in the EPZ, the Indian EPZ was still deemed a failure. It could not achieve the generation of *export* growth that India had been expecting (Aggarwal 2006:4534). Inimical to the interests of foreign investors, there were still many restrictions on how exporters did business...Often using the *export-processing zones* meant more -- not less -- paperwork. According to one reporter, India's "stringent labor laws" exercised under the EPZ are one of India's "biggest barriers to foreign investment" which "[made] it difficult for large companies to fire employees or to use contract laborers."²⁴ Company shipments were deterred by regular strikes by factory workers, dockworkers and truckers. In short, foreign investors were interested in setting up factories in the third world not only because of cheap labor, but also because they would not have to deal with rule breaking, so they thought. And they had good reason to think so with the notorious NAFTA (North American Free Trade Act) making not one reference to labor laws in Mexico, aside from a delayed side agreement which "provided

²³ Perlez, Jane. Mauritius Thrives as Textiles Boom. The New York Times, 10 September 1990. <http://www.nytimes.com/1990/09/10/business/international-report-mauritius-thrives-as-textiles-boom.html>

²⁴ Nandy, Madhurima. BMIC's Progress Delayed by Land Acquisition Issues, State Politics. 10 March 2010. <http://www.livemint.com/2010/03/10000237/BMIC8217s-progress-delayed.html>

weak mechanisms” for the enforcement of labor rights²⁵. This phenomenon of the anarchic island space did not disappear but became more ubiquitous with the SEZ, which did away with *de facto* labor laws and assumed the role of a township, whereas the EPZ was only meant to be an enclave.

One last intermediary between the industrial estate and the SEZ worth mentioning is the Eco-Industrial Park. Designed in 1993 by the American Indigo Development group, the EIP capitalizes on the recently popularized concept of “sustainable development” with a devotion to the field of “industrial ecology”. EIPs are characterized by “a network of synergistic resource linkages among facilities within a defined geographical area” (Fons et al 2003:1). Recently popularized, there are now national projects to develop new eco-industrial parks or to transform existing ones in North America, Australia China, Korea, Thailand, and Vietnam, with many smaller projects in other Asian, European, and Latin American countries²⁶. Although India has no national plan to implement the EIP, state governments such as those of Gujarat and Andhra Pradesh have taken steps to further this conceptual development style. Eco-Industrial parks have been hailed as a new way to maintain waste and also heavily criticized by those who see development as not an end in itself but a means to an end. For instance, Gibbs raises the poignant argument that since most EIPs are in their embryonic stages and would require building from scratch, a more fruitful approach is to “build upon existing and potential linkages within a locality, assisted by a pro-active policy to encourage interchanges” (Gibbs and Deutz 2007:1). Other researchers provide empirical

²⁵ Human Rights Watch, *Labor Rights and NAFTA: A Case Study*, 1 September 1996. <http://www.unhcr.org/refworld/docid/3ae6a7fe8.html>

²⁶ Indigo Development, <http://www.indigodev.com/>

evidence that EIPs actually increase pollution due to their remote locations and the heavy traffic they encourage (Fons et al 2003). Also, the label “Green” has been used to convince locals of the state development project, in other words “ease” the idea of development onto people (land losers) who, for obvious reasons, might find it more desirable to have a green collar job (a corporate gardener or a horticulturalist) than a “brown collar” one (toilet scrubber). It is a fantastical alternative that allows ex-peasants to work outdoors, keep their lives in the village and exercise their indigenous skills with a steady wage, rather than the volatile one that the international market has thrust upon them. As in the case of Polepally, the label Green Park has become useful to populist politicians, while the actual contents of the space in no way reflect “environmental sustainability” or any of the other terminology associated with a Green Park.

In India, the models discussed above have become chronological, evolutionary phases. It is clear that the Indian SEZ most closely mirrors the Export Processing Zone (EPZ). In fact, all of the existing EPZs in India were transformed into SEZs with the passage of the SEZ rules in February 2006. The stated objectives of the SEZ, as stated by the Act of 2005, are similar to those of the EPZ. They are: (a) generation of additional economic activity (b) promotion of exports of goods and services; (c) promotion of investment from domestic and foreign sources; (d) creation of employment opportunities; (e) development of infrastructure facilities (Ministry of Commerce 2010)²⁷. However, a quick glance at the financial incentives and conditions offered to developers and units within the SEZ reveals that the SEZ Act solidifies an attempt to do what the EPZ failed at doing. It creates an atmosphere congenial to large foreign investors with rapid growth.

²⁷ <http://sezindia.nic.in/index.asp>

II. SEZ: NATION WITHIN A NATION

The SEZ is so rooted in the pro-globalization paradigm that once a piece of land is deemed a SEZ it is no longer part of the Republic of India. It is effectively deemed “foreign territory” for the sake of trade relations. Supplies moving into the SEZ from the rest of the country are treated as exports, and SEZ developers are eligible for export-related benefits. Just as the developer is free from the obligation of obtaining a distribution license, the standard import license for importing raw materials or components is unnecessary. Customs examinations are kept to the bare minimum, and for many procedures self-certification is sufficient.

According to citizens groups, the SEZ is also “foreign” in the sense that local laws are rendered obsolete. Massive neo-liberal land use shifts redefine space, and by doing so, they redefine local power. In the 73rd and 74th Amendments to the Constitution, India finally acknowledged the need for village-level authority by introducing the *gram panchayat* system. Although this move continues to bear brutal criticism for the lack of *de facto* autonomy it grants to the *panchayat*, there is no question that the SEZ further degrades primacy of *gram sabhas* by disallowing them access, decision making capacities, and governance over the Township. As stated in a petition signed by over 100 citizens groups to Pranab Mukherjee, chairman of the Empowered Group of Ministers on SEZs, “What is really going to challenge the governance system is the concentration of power in the hands of the Development Commissioner (DC) at the State level and in the Board of Approvals at the Centre”²⁸. An annexure to the SEZ Act from August 2009

²⁸ Scrap SEZ Act: Civil Society Groups. The Hindu, 2007.
<http://www.thehindu.com/2007/02/17/stories/2007021703101700.htm>

stated that no agencies may carry out inspection, seizure or investigation without approval of the DC of the Zone concerned²⁹. There are also many recently documented instances of Commissioners prohibiting locals from entering SEZs. In summation, the SEZ industrial township, often occupying the bulk of a village and spatially comparable to a medium-sized neighborhood, becomes autonomous with its private security systems and its exemption from government inspection, search or seizure without the DC's permission.

III. ENVIRONMENTAL DE-REGULATION

SEZs are, according to the GoI “self-contained and integrated having their own infrastructure and support services.”³⁰ However, despite their legal insularity, history shows that there are many externalities generated that are not taken into account when measuring the success of the SEZ. In a nation where a significant part of the population utilizes common pool resources for grazing, foraging, and living, any resource-intensive export zone will threaten village autonomy and/or any traditional methods used to govern the commons. Even with the increase in privatization after neo-liberalization it is estimated that over 20% of India is designated as forested lands, and 96% of these lands are publicly and communally managed (Foster et al 2001:3). The SEZ shifts resource use and regulation from the hands of the village decision makers to the Development Commissioner. The DCs, who do not reside in the village, are driven by profit maximization and are not concerned with the sustenance of the village ecology. The fact

²⁹ <http://sezindia.nic.in/index.asp>

³⁰ <http://www.sezindiainvest.com/>

that they are totally exempt from the standard Environmental Impact Statements (EIS) means that SEZs are approved without any sort of social environmental assessment.³¹ At a time where India is enduring its worst water scarcity crisis, with water tables in North Gujarat falling 6 meters (20 feet) per year³² and monsoons becoming increasingly erratic, this exemption has proven to be disastrous to village autonomy. Units within the SEZ are assured round-the-clock water and electricity through the establishment of independent power projects as Independent Power Producers (IPP). Developers are allowed to make standby arrangements to draw power from the board, and they are granted automatic approval for the construction of captive power plants. Although units within the SEZ are declared a “public utility service” under the provisions of the Industrial Dispute Act (Bhatta 2003:1928), there is no evidence that SEZs seek to maximize public utility. While encouraging resource consumption with constant electricity provisions, the policy gives no recourse to farmers whose droughty fields are further deprived of water or are adversely affected by increased effluents from the SEZ or power plants within the SEZ. Medak District, of Andhra Pradesh, not far from my research site, makes a vibrant illustration of the SEZ’s relationship with the environment. Medak, home to over 250 industries in industrial estates and SEZs, sits adjacent to the Nakkavagu stream. The companies have inundated Medak’s ground water and approximately 2,000 acres of farmland with toxic chemicals, which in turn has fostered the displacement of 30,000 residents. In response to citizens’ direct action campaigns and media attention, the Supreme Court has granted only minor remedies to the public;

³¹ Scrap SEZ Act: Civil Society Groups. The Hindu, 2007.
<http://www.thehindu.com/2007/02/17/stories/2007021703101700.htm>

³² Brown, Lester. *Aquifer Depletion*. The Encyclopedia of Earth, 14 September 2006.
http://www.eoearth.org/article/Aquifer_depletion

e.g., in 2003 it issued a directive for the companies to inform the community about the hazardous aspects of their industrial activities. This directive has not been reinforced specifically in regards to SEZ. Thus, it is clear that any *panchayat* seeking to preserve remaining forest and other commons lands is no longer able to do so. The SEZ Act assures that developers do not have to work with local authority and are not held to any restrictive social or environmental rules of conduct.

IV. DEGRADATION OF LABOR LAWS

A further move from local autonomy is the relaxed labor standards in the SEZ (Bhatta 2003). Firm labor laws have long been viewed by the World Bank and other market-driven entities as an obstacle to attracting foreign investment in India³³.

Although India was never truly a socialist nation, its' constitution was written by *Dalit*, labor activists. However, as a capitalist economy requires the ever-increasing, ceaseless production of goods, strikes and civil disobedience become viewed increasingly unfavorably. In democratic, industrialized nations, this often leads to a sort of push-pull relationship between union activists and bosses. In the new era of globalization, first world companies are able to circumvent labor laws and unionization through outsourcing to third world nations, which is often justified by capitalists as being "better off than the alternatives". "If they didn't want the job, why wouldn't they just quit and find work elsewhere?" As will be shown, the physical enormity of the SEZ often leaves no room for alternative job options. Further, with an economic policy calling upon such forceful government intervention, as does the SEZ, the invisible hand theory is crippled: no longer do market forces negotiate with the people. In the case of the export enclave, it is the

³³ http://www.siliconindia.com/shownews/World_Bank_criticizes_India%E2%80%99s_labor_laws_-nid-29498.html

state that sets the terms of agreement, and they have pushed fiercely to debilitate labor laws. This was seen in the original version of the SEZ Act, where labor laws were completely stricken from existence. It was only parliamentary Marxists that objected to these drastic measures. Eventually, labor rights were recognized, but only in theory do they carry any weight in the SEZ. In my fieldwork, interviews with numerous SEZ laborers show that a daily wage of not more than 150 Rs /day (\$2.50), just slightly more than the wage paid by the government National Rural Employment Guarantee (NREG) program (which pays \$100 Rs/day or \$2), is standard in the SEZ companies. Often work is back breaking; construction or toilet scrubbing are the most common occupations among land-losing locals, if provided an opportunity to work at all. Hiring and firing happens indiscriminately under the dominion of the company managers. The fact is that in the wake of the SEZ and land acquisition, the majority of locals are left jobless. Because there will always be another candidate to replace dispensable workers, developers can afford to turn a blind eye to pregnancy/sickness leave of absence policies, even in communities that have high birth rates and incidents of illness. Due to the fact that they are contract laborers, they are not granted benefits, as would full time employees. In 2009, as the government grew nervous in the face of a growing anti-SEZ movement, it had to issue an annexure reminding companies to follow labor laws. However, despite this measure a number of Indian labor organizations have still tracked the SEZ to be one of the most labor abusive institutions the nation. This of course is enhanced by the fact that no searches or inspections can be carried out inside the SEZ without the Development Commissioner's consent. If one turns to Shenzhen, the Chinese SEZ that inspired the birth of the Indian SEZ as a model, these problems will only get

worse. After several decades of operation the city of Shenzhen has evolved into a hotbed for crime. While the crime rate is almost nine-fold higher than Shanghai, the working class earns US \$80 every month in the sweatshops inside the SEZ and the turnover rate is 10 percent (Bhaskar 2007:2). According to Howard French, the New York Times bureau chief, “Many [Shenzhen workers] turn to prostitution after being laid off” (ibid).

V. BAITING BIG BUSINESS AND FOREIGN INVESTORS

The financial carrots or “production incentives” used to lure foreign investors are multitudinous, the biggest of which is, of course, land acquisition. However, as land acquisition is not directly addressed in the SEZ Act 2005, first I will begin with what the policy *does* say on procedural aspects. First off, for all SEZs there is a prescribed minimum investment or net worth of the promoter company in the SEZ. This essentially blocks out small businesses from competing with big foreign investors for the lucky position in a SEZ (also inimical to small businesses is the lack of ancillary units, which are essential for small businesses to thrive). Accordingly, sector-specific SEZ developers must plough in a minimum investment of Rs 250 crore (about \$550,000) or have net worth of Rs 50 crore (\$100,000). For multi-product SEZs, minimum investment is Rs 1,000 crore (around \$2 million) and net worth Rs 250 crore (\$550,000).³⁴ Further, whereas the average size of an Indian factory is measured in the number of employees, there is a minimum “developed land requirement” for SEZs. The minimum bar is quite large. For example in a multi-product SEZ it is 5,000 hectares (12,500 acres). For one or more services the SEZ must be at least 100 hectares (247 acres), and for electronics,

³⁴ SEZ Board Fixes Investment Limit for Developers. The Hindu Business Line, 22 September 2006. Online: <http://www.thehindubusinessline.com/2006/09/22/stories/2006092204250900.htm>

hardware, software or IT/ITES SEZs there is a minimum of 10 hectares with a minimum floor area of 50 thousand square meters. Promotion of IT/ITES development with a smaller minimum area requirement has paid off with 60% of the SEZs being geared towards these sectors.

VI. WHAT DOES IT MEAN TO BE DUTY-FREE?

The SEZ becomes increasingly attractive with the slew of tax holidays granted to Developers and units, enjoying complete exemption from excise duty, custom duty, sales tax, octroi, mandi tax, turnover tax, income tax holiday for ten years, and exemption from income tax on infrastructure capital fund and individual investment. They can set up off-shore banking units with income tax exemption for three years and subsequently 50% tax for another two years. The complete list of economic incentives offered to SEZ

developers, as stated by the Ministry of Commerce³⁵ include:

- Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA.
- Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act.
- Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act.
- Exemption from dividend distribution tax under Section 115O of the Income Tax Act.
- Exemption from Central Sales Tax (CST).
- Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).

Incentives offered to SEZ **units** are:

- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units

³⁵ <http://sezindia.nic.in/about-fi.asp>

- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Exemption from minimum alternate tax under section 115JB of the Income Tax Act.
- External commercial borrowing by SEZ units up to US \$ 500 million in a year without any maturity restriction through recognized banking channels.
- Exemption from Central Sales Tax.
- Exemption from Service Tax.
- Single window clearance for Central and State level approvals.
- Exemption from State sales tax and other levies as extended by the respective State Governments.

The 2006 SEZ rules were what made the SEZ ultimately more efficient and more appealing than the EPZ. Their intention: to provide drastic simplification of compliance procedures and documentation “with an emphasis on self certification”. In short they were to cut away red tape by introducing single window clearance on the establishment of SEZ and formation of units within SEZ (Ministry of Commerce)³⁶. The single window clearance took the shape of a 19-member Board of Approvals (BoA), who is referred to as the “Board” in the SEZ Act (2005)³⁷.

VII. APPROVAL MECHANISM

The birth of the SEZ occurs when the applicant, who can be any Indian individual, NRI, Indian or foreign company (in the case of a private SEZ) or the state (in a public SEZ), submits the proposal for establishment of SEZ to the concerned State Government or directly to the BoA. The State Government has to forward the proposal with its recommendation within a certain time to the BoA. The BoA then gives an “in-principle” approval valid for one year with options for renewal. Land acquisition, which will be addressed in the subsequent section, can now take place. Meanwhile, the

³⁶ <http://sezindia.nic.in/about-fi.asp>

³⁷ <http://sezindia.nic.in/about-introduction.asp>

proposal is handed off to the respective Development Commissioner, who will inspect the proposed SEZ site with “special attention to the quality of the land- if it’s double cropped it should not be utilized for SEZ purpose”, according to IAS Officer Pandey, director of Noida SEZ³⁸. They also confirm that the plot is contiguous and vacant. According to Pandey, “All of these conditions must be met before approval can take place”, although, contrarily, in March 2007 there was an amendment that greatly relaxed the conditions for contiguity and even allows government intervention to acquire land in order to maintain contiguity.³⁹ After the Development Commissioner has finished the above inspection, he/she will issue a Letter of Permission to the applicant, thereafter referred to as the “Developer” (Seethalaxshmi p.5 2009). Then the BoA will review the proposal and issue the Formal Letter of Approval (LoA), which is valid for three years. The developer can now begin operations, prior to the final step where the Central Government confirms that all requirements have been met in regards to land under section 3, sub-section (8) of the SEZ Act and “notifies” the SEZ. They then announce in the Official Gazette the birth of the SEZ.

The Approval Committee, consisting of the Development Commissioner, Customs Authorities and representatives of State Government, approves all the proposals for setting up of units in the SEZ at the Zone level.⁴⁰ All minor post-approval clearances including grants of importer-exporter code numbers, changes in the name of the company or implementing agency, broad banding diversification, etc. are provided at the Zone level by the Development Commissioner. The Approval Committee periodically monitors

³⁸ Pandey, Suresh Chandra. Interview, 14 August 2009.

³⁹ See Department of Commerce annexure No. 27 2009.

⁴⁰ See SEZ Act sub-section 2, section 13 for complete list of who should comprise the Approval Committee.

the performance of the SEZ units and units are liable for penal action under the provision of Foreign Trade (Development and Regulation) Act, in case of violation of the conditions of the approval (Ministry of Commerce)⁴¹.

The above mechanism is advertised as a “single window clearance”, a political measure that seeks to again contest the reputation of India’s unstinted bureaucracy. The slew of tax exemptions and financial incentives offered to both developers and operating units and the legal exemptions that make the SEZ exceedingly attractive to Western investors, may fall under the free market “liberal values” paradigm. Yet the free market analogy dissipates inspecting primary measures taken to secure land for the SEZ. In fact some have called the state-based land acquisition “draconian” and emphasize its assault on purportedly “liberal values” such as the “right to life” and the “right to self-determine”⁴². Thus, despite the SEZ policy’s devotion to relaxed bureaucracy, “the single largest concern delaying projects across the board [being land acquisition]” has not been addressed⁴³. Previous studies have proven that land acquisition has not been a subject that has been taken lightly by the Indian people and 70% of Indian urban infrastructure projects are delayed due to land acquisition “problems”, as noted by the *India Infrastructure Report 2009* by Infrastructure Development Finance Co. Ltd (IDFC). According to the study, 60 projects being implemented by the Indian Railways, 40 by the

⁴¹ <http://sezindia.nic.in/index.asp>

⁴² Kasturi, Kannan. *SEZ: A History of Injustice and Abuse*. IndiaTogether, 1 October 2007. <http://www.indiatogether.org/2007/oct/eco-sezhist.htm>

⁴³ Nandy, Madhurima. *BMIC’s Progress Delayed by Land Acquisition Issues, State Politics*. Live Mint, 10 March 2010.

National Highways Authority of India and 28 power projects are “facing difficulties” in acquiring land⁴⁴.

CHAPTER 2: LAND ACQUISITION

I. DEFINING CHARACTERISTICS

‘Land acquisition’ refers to the process by which the government forcibly acquires private property for public purpose without the consent of the landowner, which is different from a market purchase of land. However, when the SEZ Rules came into effect in 2006, the words “land acquisition” were nowhere to be found in the policy. How did these vast swaths of land materialize in a country, where 65 percent of the 1.1 billion population relies directly on agriculture for their livelihood? The answer can be traced back to the second half of the 19th century, at the origination of the principle of eminent domain. “The idea that all land within its territory ultimately belongs to the state was used by the British colonial state to progressively deem *state property* all land without identified private ownership”⁴⁵. The colonial administration itself assigned private ownership titles in cultivated land through elaborate survey and settlement operations which ultimately resulted in the austere zamindari system which will be described at length in later chapters. The land claimed by the state included ‘waste’ lands, or village commons that were not cultivated and other uncultivated or uncultivable land farther from the villages. This included all of the pastures and forestlands that were, until

⁴⁴ Ibid.

⁴⁵ Kannan, Kasturi. Of Public Purpose and Private Profit, February 2008. SEZ Symposium on the Recent Economic Policy Initiatives. http://www.india-seminar.com/2008/582/582_kannan_kasturi.htm

this point, village or tribal commons maintained by the *adivassis* (indigenous people of India) to either constitute or supplement their livelihoods.

The same principle was invoked to justify the right of the state to expropriate land, even if it was in private ownership, when it was needed for what the British called a “public good” (ibid) or a “public purpose”⁴⁶. It must be kept in mind that often what the British deemed “public purpose” they used as leverage to justify the idea of the benevolent colonialist, such as the establishment of the railway networks, despite the blatant fact that these projects often did not benefit the majority of Indian peoples. The hypocrisy inherent in this was displayed more flagrantly when the East India Company, what was essentially a *private* enterprise backed by the state, acquired land for roads and canals in the name of “public purpose”. In 1870, shortly after the establishment of the British Raj, the colonial government decided to rectify a formal law that was to depict land acquisition as a pillar of its (benevolent) civilizing mission. What was earlier called the ‘Indian Expropriation Act’ was now renamed the ‘Land Acquisition Act’⁴⁷. The law eventually took the consolidated form of the Land Acquisition Act, 1894. After independence the republican Constitution of India, by article 372, allowed all colonial laws to remain in practice until they were repealed by Parliament. The Land Acquisition Act remained essentially unaltered, except for minor changes. In obtaining much of the

⁴⁶ From Improvement to Development: Civilising Missions in Colonial and Post-Colonial South Asia. European Association for South Asian Studies. <http://www.easas.org/?q=panel14>

⁴⁷ Kannan, Kasturi. Of Public Purpose and Private Profit, February 2008. SEZ Symposium on the Recent Economic Policy Initiatives. http://www.india-seminar.com/2008/582/582_kannan_kasturi.htm

land for the Industrial Parks, EPZ, and the SEZ, the post-colonial government has, hence, referred to the colonial Land Acquisition Act, 1894⁴⁸.

II. DISTORTION OF PUBLIC PURPOSE

The 1894 Act permits land acquisition if the land is to be used for a “public purpose”, with “acquisition” referring to the act of forcibly obtaining land from the landowner, and “public purpose” encompassing a host of imaginative projects. “Public purposes” are listed as the establishment of village-sites, town or rural planning, land for residential purposes for poor or displaced due to natural calamities, land for planned development (including education, housing, health and slum clearance), land needed by a state corporation⁴⁹, or land needed for a public office, which “*does not include acquisition of land for companies*” (emphasis added) (Land Acquisition Act 1894 part 1, section 3; definitions). Although the act made this delineation, it was more likely to block out competition rather than to protect Indian people from predatory business. It is well known that the Empire saw India as the jewel in the British crown, in other words a wildly profitable endeavor that they were willing to go to dire lengths to protect from competing interests. Similarly, the label “public purpose” has become widely controversial in contemporary India, where the Indian government has created state corporations that function as enclave “Developers”. It is in the name of these Industrial Infrastructure Corporations, the state is able to attain land. Again responding to citizen

⁴⁸ This act was last amended by the Land Acquisition Amendment Act 1984.

⁴⁹ State corporation is defined as a “corporation owned or controlled by the ‘State’, or any body corporate established by or under a Central, Provincial or State Act, and includes a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), a society... established or administered by Government and a co-operative society...in which not less than fifty-one per centum of the paid-up share capital is held by the Central Government, or by any State Government or Governments or [partially by one or the other]” (Land Acquisition Act 1894 part 1, section 3; definitions).

outrage, the Commerce Secretary issued a June 2007 circular dictating that State Governments not undertake any “compulsory land acquisition” on behalf of private companies until “persons interested in the land have either not submitted any objection under Section 5A or have withdrawn the objection” (Ministry of Commerce 2009, Instruction no. 29). As we have seen in the case of the Andal Aerotropolis, where 3500 acres were acquired in 2008 by the West Bengal government, this measure was largely a symbolic gesture. Although they have not deemed the Aerotropolis a SEZ it is local knowledge that it will become a SEZ⁵⁰. Thus, without the actual amendment or upheaval of the Land Acquisition Act, the state government is able to circumvent the much lauded circular by upholding the “public” premise during the time of acquisition while the intended private interest, or the SEZ, lags only a step behind. The fact that there are still many anti-land acquisition agitations transpiring, such as the March 24th 2010 uprising of agricultural laborers and sharecroppers in Andal- met with police brutality- is proof that this circular did not put an end to non-consensual dispossession of land and property.⁵¹ Further, according to the notification, land acquisition is still legal with “acquiescence” of the farmers, which, as this study will show, co-optation of higher caste Hindus has led to the façade of compliance. Other field studies suggest that “undemocratic and often coercive” methods have been used to this end (Seethalaxshmi 2009:35), and farmers who did not comply have been “punished for not parting with their land”. For example, unlawful registration bans, deterring farmers from taking out loans or voluntarily selling their land to any other party than the government, have been imposed by district officials

⁵⁰ Bandopadhyay, Syagnik and Icore Ekdin. “Aetropolis generates unrest in Andal”. *Sanhati*, 20 March 2010. <http://sanhati.com/excerpted/2277/>

⁵¹ Ibid.

on the farmers in Irugulam Village, Andhra Pradesh who refused to surrender their land to the Sri City Reserve Infra City Private Ltd SEZ (ibid). In Polepally, similar coercive methods were applied. One farmer said he asked to give his thumb print on a piece of paper which he could not read, due to his illiteracy⁵². Multiple farmers reported to me collectors had bribed farmers with *arrak* (a local alcohol) before convincing them to sign the documents.⁵³ One of the farmer activists summarized the process by saying, “The collector put a gun to our heads...they said ‘you either sign or get nothing’”.⁵⁴ Perhaps the biggest source of deception, however, lies in the false promise of jobs. In Polepally, prior to the acquisition of land many were promised jobs in a Green Industrial Park in which they could use their indigenous skills. Most of these tactics seem to take advantage of the remarkably low 39% literacy rate in Polepally, according to 2001 census data.

The notification has further limitations, as the Act in itself has crucial components missing such as a comprehensive rehabilitation package for land losers. So what *does* the Act say in regards to the rights of land losers? In the Act (including amendments), the procedure for acquiring land includes the public announcement of the proposed project via the Official Gazette, two daily newspapers circulating in that locality- one of which must be in the regional language and placed in convenient locations on the property of the landowner. Thereafter, it is lawful for an officer to enter the property of the landowner and conduct assessments, which includes any necessary alterations to the land, e.g. digging bore wells. The owners of the land must be compensated for any damages.

⁵² Interview, 10 July 2009.

⁵³ Group Interview, 12 July 2009.

⁵⁴ Srinivasulu. Interview, 12 July 2009.

Government officials are not allowed to enter into any enclosed area attached to the occupier's house "without previously giving such occupier at least seven days' notice in writing of his intention to do so." The owners have a right to voice any objections to the Collector, given that it is filed within 30 days of the preliminary notification⁵⁵. The judiciary is then accorded the role of arbitrator in case of dispute over the compensation, and whatever they conclude on this matter is the "final word". Under the LA Amendment Act 1984, after the passage of one year from the preliminary notification, an "official declaration" may be issued in a similar fashion. This declaration in itself constitutes "conclusive evidence that the land is needed for a public purpose or for a company". The Collector shall, under section 11, measure and assess the land in order to make an award which must be granted within a period of two years from the date of the publication of the declaration; once the award is made the Collector may proceed in acquiring land and evicting the owners. If no award is made within that period, the entire proceeding for the acquisition of the land will lapse. Those who are dissatisfied with the compensation values are able to go to court to protest the value that was set by the Collector. The amount granted by the court, if anything, cannot be lower than the amount granted by the Collector.

This process may seem surprisingly levelheaded for a colonial government, but only to those who fail to read the entire Act. In Section 17, one finds the title "Special Powers in the Case of Urgency". "Urgency", occurring whenever the appropriate Government so directs, allows that the Collector take possession of the land fifteen days after the primary notification, barring the window of opportunity for landowners to file

⁵⁵ LA Act 1984 subsection 2, section 5A

complaints. It also overturns the necessity of a Declaration in the Official Gazette and the agreement to compensate the landholder prior to land acquisition. With the Urgency Clause being used in almost all cases of land acquisition today (Seethalaxshmi 2009), Indian modern history has witnessed the complete assault on the rights of landowners. Further, although land losers *have* historically taken up their cases post-acquisition to protest compensation value, it is well known in colonial accounts that judges more often than not sided with the district officials in any given dispute. In recent times, however, it has played out so that those with resources to navigate the legal system are able to better their lot while others, usually the poor and uneducated, are left behind⁵⁶.

III. FLAWED COMPENSATION PROCESS

A number of Supreme Court cases have highlighted concerns related to fair compensation, valuation of land, definition of 'public purpose' and other issues related to land acquisition.⁵⁷ Today, the compensation process is being contested on three grounds: it undervalues the true land value, its calculation is made using a flawed and inconsistent “method” and it enforces village-level economic and social inequalities. The method used by the Collector is purportedly based off of “market value” as recorded the individual property transactions for that mandal over the past three years. In rural India, one farmer explained to me, it is a widely known phenomenon that much of Indian

⁵⁶ Kannan, Kasturi. *Of Public Purpose and Private Profit*, February 2008. SEZ Symposium on the Recent Economic Policy Initiatives. http://www.india-seminar.com/2008/582/582_kannan_kasturi.htm

⁵⁷ Civil Appeal No. 1137 of 2007, Nelson Fernandes vs. Special Land Acquisition Officer, Goa (2007), Viluben Jhalejar Contractor vs. State of Gujarat (2007), Numaligarh Refinery Ltd vs. Green View Tea & Industries Ltd (2007), and Pratibha Nema vs. State of Madhya Pradesh (2007).

agricultural land is registered at a value much below the true market value for various reasons such as tax evasion⁵⁸. Even if the final compensation package, after court proceedings and all, is comparable to the actual market value of recent years, the sum will be no match for the newly competitive land market. As soon as the first road into the future SEZ is paved, the market value of adjacent land skyrockets. Real estate speculation has also attributed to the sharp increase in land values. Given that often compensation comes *after* acquisition (refer back to the Urgency Clause), it becomes nearly impossible for the peasants to purchase new land after their own has been acquired- even if they do have the faculties to do so.

To truly understand the bureaucratic volatility of land assessment and calculations, it is useful to turn to the land acquisition procedure from a specific example. The following information is based off of the land acquisition documents produced by the Mahbubnagar Revenue Divisional Office after acquisition (2005) in regards to the Polepally village. In understanding land acquisition in Telangana, one must know the distinction between **patta land**, which is land that was inherited or purchased by the landholder, versus **assigned land**, which is distributed to the landholder by the state. About 52% of the total land acquired in the Polepally village was of the patta land category. 179 of the families that lost their land were pattadors. It was only for patta land that the government produced any documents explaining their methodology in setting a compensation value. Its value was calculated using local land transactions from the past three years, which, as stated before, were not comparable to the true market value. That was the first major issue in the Polepally land acquisition. The second

⁵⁸ Khomeini, Biju. Interview. 8 July 2010.

problem is that in the documentation the process of price setting is completely inconsistent and hard to follow. Out of the 80 transactions made in the past 3 years, 79 are omitted for spurious reasons. For example, seven lands are “not similar in nature” to the ones undergoing acquisition thus omitted, 28 are “combined sales”, 34 are “far away”, several have gardens on them; all of which are cause for omission. This leaves the compensation value to be based off of only one transaction. This is simply because of its similarity “in nature and fertility” to the land being sold; the documents do not explain why it is “similar” and what factors they counted in measuring “nature” or “fertility”. Needless to say, one plot cannot be inherently “similar” to the various plots of 179 families, e.g. the land belonging to farmers who had invested into bore wells, will not be similar in “nature and fertility” to that of farmers who did not.

Thus, in Polepally it is difficult to tell what the true market value might have been. My research yielded varying results. A non-land losing BC member of Polepally, who was in favor of land acquisition, stated that the price of land was Rs 4,000 (\$85.43) per acre at the time. It was a “very fair price” he stated with conviction.⁵⁹ If one looks at the omitted land sales in the land acquisition documents, one finds something different. In averaging the first 10 land sales of 2001, one finds the registered market value to be Rs 33,200 (\$709.10) per acre, with the lowest value being Rs 5,500 (\$117.47) per acre and the highest being Rs 154,000 (\$3,289.18) per acre⁶⁰. Only one of these lands was classified as “wet”. Thus since much of the land that was acquired in 2003 was wet (as shown by my survey), there is even more evidence that the value would be even higher

⁵⁹ Interview, 6 July 2009.

⁶⁰ Land Acquisition Documents, Government of Andhra Pradesh Revenue Divisional Office, Mahabugnagar, 2 March 2005.

than the average calculated using all past sales at registered value. Further, in my survey I asked the 15 unaffected-by-SEZ farmers whether they had sold any land in Polepally, and if so what year they sold it and what they were paid. The furthest back anyone had sold land was in 1993, and he was compensated Rs 40,000 (\$854.33) per acre. This was also the lowest price anyone out of the 15 had sold any of their land at⁶¹.

The farmer who cited the value of land in 2001 to be Rs 4,000 (\$85.43) per acre explicitly recognized that the price of real estate went up following acquisition but did not state to what value it escalated. He also did not see this immediate rise in value as a reason for higher compensation for those who lost their land⁶². On the other end of the spectrum, in a group discussion with four *Dalit*⁶³ families, each patriarch stated their grievances with what they deemed as an insultingly low compensation. Their primary complaint was that it took until 2006 to receive their compensation and by that time the value of the land had skyrocketed⁶⁴. According to Matthews, it was in 2005-2007 that the price of land surged dramatically in Polepally⁶⁵, and at that time the government was selling land for Rs 7 lakh (\$14,000) per acre to the companies (Comptroller and Auditor General's Report, 2007). Thus, if the government was selling the land at Rs 7 lakh per acre to the companies with the promise of "affordable land", it is safe to say that the true market value of land in Polepally was far more than Rs 7 lakh. It should be noted that this farmer's situation is an anomaly in that he was compensated much later than the average land loser, with the average length of time following acquisition to receive

⁶¹ Survey Polepally Land Losers, 2009.

⁶² Anon. Interview. 5 July 2009.

⁶³ Recall, *Dalit* is a term for those who belong to the oppressed castes that were traditionally referred to as "untouchable".

⁶⁴ Anon. Interview. 15 July, 2009.

⁶⁵ Matthews, Biju. Interview. 2 June 2009.

money being 1.5 years (mid 2002)⁶⁶. Even so, judging by previous information the amount they were given would have been glaringly insufficient to purchase new land. This is, of course, not even taking into consideration the fact that most farmers do not have necessary skills to convert cash into capital.

The end result was a situation where only six respondents of the 50 surveyed “affected” persons used their award compensation to purchase new land (12%)⁶⁷. This directly contradicted the narrative of one of the wealthier Reddys⁶⁸:

“My vision of the future is that my village will one day become a modern village. Already 2-3 lakhs of people are being employed in good jobs. People who are losing their land are being paid a reasonable price. The problem is, some idiots in this village threw away all their money buying *arrak* (local alcohol), mobile phones, and TVs. The majority of the people in this village used their compensation to buy new, better land.”⁶⁹

Paradoxically, of the six investors, only one of them was not a *pattador*, and he (the assignee) purchased six acres at the cost of Rs 120,000 (\$2,563) per acre in 2003. This is further evidence that the price of land had gone up even before the 2005-2007 real estate boom, making it impossible for any assignees (compensated on average Rs 15,000 (\$320.37) per acre) to invest in new land. Tangentially, I later found out that the one assignee that was able to purchase new land was only able to do so through the subordinate sales of all of his cattle, which prior to 2003 was a thriving business for him⁷⁰.

⁶⁶ Survey Polepally Land Losers, 2009.

⁶⁷ Ibid.

⁶⁸ The Reddy caste is a group that has garnered political power throughout Andhra Pradesh at alarming rates in recent years. I will further explain this phenomenon in later chapters.

⁶⁹ Reddy, Ravinder. Interview. July 2009.

⁷⁰ Anon. Interview. July 2009.

IV. THE CASE OF ASSIGNEES: POOR MAN'S LAND IN RICH MAN'S HAND

Shortly after independence, the GoAP undertook steps to enforce ceiling laws, which were to redistribute and assign surplus lands to those who were living in the most economically weak conditions of Andhra Pradesh. This reform was exceedingly limited in that it declared only 3.03% of the total owned land surplus, and of that only about one half was redistributed. Most of the land was dry land. Overall, only about 7.61 percent of the composite marginal farmers and landless laborers benefited from this “reform” (Parthasarathy 1995:1). Later, between 1969 and 1984 some 1.5 million hectares of wasteland was distributed, but it is unknown as to how much of this land actually went to the poor (ibid). However inefficient these reforms may have been, the Andhra Pradesh Assigned Lands (prohibition of Transfers) Act, 1977, was enacted to protect those who did receive assigned (ceiling) or waste lands. This prevented the alienation of assigned lands to any third party that didn't include the original beneficiary of assigned land. Mahbubnagar, often referred to as one of the poorest districts in Andhra Pradesh (District Profile 2009:6), was one of these beneficiaries, although the aforementioned studies have shown that land reform was weak in its distributional affect on Andhra as a whole. This village, Polepally, an anomaly, was abundant in assigned land. In the land acquisition process, 160 of the total land losing families were assignees (commonly referred to as “assignees”). How could the GoAP first distribute this land to the poor and then acquire it, especially in lieu of the AP Assigned Lands Act? Controversially implemented in synchronization with the Special Economic Zone Act (2005), the GoAP amended this act in 2006 to allow transfers of land that “is either not being used for the purpose it is meant or being sold to third parties”. “In such a situation”, said Mohd Ali Shabbir, the State

Information Minister, “the Government would be able to acquire such lands”⁷¹.

According to officials, the motive behind this act was to redistribute assigned lands back to the poor, but at the same time the Government would be allowed to use these lands for “public purpose”. As we have seen before, the meaning of the word “public” is controversial and was transmuted by the colonial government so as to include private enterprise. But didn’t this amendment come after the land in Polepally was acquired? Petitions from civilian groups have suggested that similar illegal sales of assigned lands were going on throughout the state. For instance, The Andhra Pradesh Vyavasaya Karmika *Sangham* (or self-help group) released a document that listed 8,700 acres of assigned land as grabbed and also lists 90 key public, industry and real estate figures as responsible for the misappropriation. A public interest litigation filed in the High Court (writ petition no.14795/05) pointed out that influential persons had grabbed land worth over Rs 50,000 crores (\$10.27 billion) in violation of the Andhra Pradesh Assigned Lands Act⁷². The fact that the Chief Minister of AP, Y. S. Rajasekhara Reddy (YSR), was in possession of at least 310.57 acres of assigned land is testimony to the nature of lawlessness surrounding the assigned lands issue⁷³. With this information coming to light the AP Assigned Lands Act ordinance was quickly changed to allow people to “voluntarily” give up their assigned land within 90 days without facing prosecution⁷⁴.

V. COMPENSATION FOR ASSIGNED LANDS

⁷¹ CBI to probe IMG Bharata land deal, 2006. Hindu Business Line Home. <http://www.thehindubusinessline.com/2006/09/30/stories/2006093002901900.htm>

⁷² Ibid.

⁷³ YRS Surrenders 997 acres Family Land. Business Standard, 4 January 2007.

⁷⁴ Ibid.

The further crass treatment of assignees is displayed in Polepally where 160 assignees lost their lands, and *the local government produced no written documentation of the method used to calculate compensation value for their property*. Assigned land was arbitrarily valued at Rs 18,000 (\$384.45) (a little more than half of the *patta* land value, Rs 36,000 (\$768.90)). There was no explanation given for this deviation of prices. One government official at the Jadcherla mandal office defends this by asserting, “It was a charitable donation... Rs 18,000 (\$384.45) is much more than their land was worth anyways. The farmers are getting a deal.”⁷⁵ First of all, the idea that the farmers are not entitled to *any* compensation (that any amount given is “charitable”) is not a legal claim but rather a classist and crude remark. The Land Acquisition Act allows for transactions to happen from landholders to government officials only if there is a public purpose, and, even under that archaic law, all land losers have the basic “right” to compensation according to section 11. Further, according to a law passed in 1992 (GO 1307), assigned land holders are legally entitled to the minimum amount given to *pattadors*, though they are still exempt from the right to go to court for the enhancement of the amount. But, again, in Polepally even that minimum amount was not granted to them.

On the other hand, from a purely market-driven analysis, there should be no delineation between assigned land and *patta* land, as the distinction makes no pragmatic difference in, say, constructing a railroad or a freeway. An economic analysis would prove that the assignees’ land is of equal or higher value than the *pattadors*, depending on the quality of its soil, irrigation, proximity to roads and other public works. One might at the same time argue that assignees deserve higher compensation because of their

⁷⁵ Interview 10 July 2009.

disproportionately higher need. It is dangerous that the government is making a normative statement that assigned land is less valuable, for it may set a precedent for developers to selectively target assigned land areas. Assigned land holders are less “entitled” and don’t require justification for compensation values; they are incapable of demanding adequate compensation that more closely mirrors the market value because their land is seen as a retractable handout rather than a valuable, productive asset.

More disturbingly, it emerged over a wave of bickering in the interview with four Dalit families that one assigned land holding farmer was only sanctioned Rs 9,000 (\$192.22) per acre, exactly half of the correct entitlement for assignees. Later, I realized this was a common phenomenon; my hypothesis was that it was only a trend among participants in the SEZ and that the government used this tactic as a disciplinary measure. Thus, one of my survey questions for all land losers was: “What type of land [assigned or *patta*] did you lose?” and another was “How much were you compensated per acre?” Of the 33 assigned land losers I interviewed, the average compensation was Rs 15,000 (\$320.37) to Rs 3,000 (\$64.07) less than what was promised per acre. 10 farmers reported a compensation value less than Rs 18,000 (\$384.45) per acre; one farmer was compensated a meager Rs 5,000 (\$106.79) per acre. The explanation, according to the farmers, is always “the middle man ate it up”, meaning collectors took a bribe before the compensation was properly sanctioned. Some implicate specific officials, namely the *sarpanch* at the time of acquisition, Jangayya Gajja. However, interestingly, it should be noted that of these 10 farmers who were cheated out of a portion of their compensation against their will, eight were SC, two were ST, two were widowed women who lost their husbands during the anti-SEZ struggle (which will be discussed at length), and eight were

active participants in the struggle. Three of them fielded themselves as candidates in the local election and thus are considered highly public figures. In the *patta* land-loser category the compensation proved, overall, to be well above the promised amount of Rs 36,000 (\$768.90) per acre. Only three people reported unwillingly receiving less than the promised value of compensation out of the 32 *patta* land losers I surveyed, while five willingly rejected the compensation all together and received nothing. Thus, out of the 27 willing acceptors of compensation, the average compensation was Rs 56,481 (\$1,206.34) per acre. Out of the three people who were non-consensually deprived of part [or all] of their compensation, one of them was a mentally disabled member of the SC, one was a key SC figure in the anti-SEZ struggle (who received nothing), and the last was one of the rare members of the BC community who fought alongside the *Dalits* in the struggle. This final respondent explains that she wrote songs about the struggle for land. I was privileged to get a dose of her devotion when she performed one of her political songs for us, breaking into tears as the lyrical Telugu words left her lips. Also as a matter of concern, all of those (five) who initially rejected compensation as an act of protest against the acquisition were later punished for this deviance. All reported that their money was supposed to be sent to the district court but the government is, to this day, withholding the money from them. This contextual information provides true the hypothesis that the compensation process, specifically to what extent persons were compensated the full amount, were lowered according to ones vulnerability (given that assignees are more economically and socially vulnerable than *pattadors*) and possibly the degree to which the person was involved in anti-SEZ activities.

V1. THE POSTCOLONIAL CONDITION AND PEASANT RESISTENCE

62 years following independence the *postcolonial condition* continues to plague the Indian subcontinent. By invoking the colonial land acquisition act, the GoI has essentially reduced the Indian people to colonial subjects once again. For example, in the Polepally case the government made a surplus profit of 10/15 crores (roughly \$2-3 million)⁷⁶. By no means is the government required to be accountable to anyone in its expenditure of this unprecedented extraction. This corruption invokes images of the drain of wealth imposed on Indian peasantry during the British era, leaving the Indian countryside in shambles. In a 2007 circular, the GoI defended itself against those who indicted the SEZ as a scam with the idea that land acquisition shall be extended to increase the number of entertainment outlets e.g. golf courses and shopping malls. It is this mentality that propels the post colonial condition, where entertainment is seen as “forward” and subsistence is seen as “backward”. Instead of valuing the life behind the subsistence farmer, a sterilization mob mentality is operating in the pro-globalization, neo-liberal camp. India's first private sector-run SEZ was built at Mahindra City, 650 miles southwest of Mumbai. It is a \$2 billion technology, electronics and textiles enterprise, spanning 1,400 acres adjacent to a new six-lane highway. In the Wall Street Journal, investors are told consolingly that while Madras might be a rat-infested cesspool, there is hope within the walls of the export zone. The SEZ is a “sprawling complex with roads, water, sewage and phone lines” and “has two stable and independent sources of power and enough water for a whole city.” Schools, houses and a golf course are also described as part of the Mahindra City vision. It has its own processing for all state and federal approvals and its own customs office so that the computer hard drives, auto parts

⁷⁶ Matthews, Bijay. Interview, 10 August 2009.

and shirts that leave the complex won't face delays at Madras's inefficient port⁷⁷.

Essentially, the insular SEZ creates a world-class city that circumvents the realities of Indian rural poverty.

Ultimately, the “public purpose” line leaves the rural poor excluded from the nation’s “purpose”. I must be clear that my argument is not that farmers should be forced to remain in an undesirable profession and I do not romanticize the precariousness of village life. Outside of the fact that acquisition is not and has never been predicated with the requirement that farmers have an alternative livelihood, the hyper-industrialist paradigm does exactly what I fear the most; it robs the farmer the right to self-determine. It is a valuable inquiry: how much does the development rhetoric impact the subaltern farmers’ willingness to defend their property and their lives? Of course, when it comes down to life or death, humans have the tendency to fight for life, which is why we see pocketed outbursts and unsuccessful rebellions. Regardless of the attention they draw, they are too little, too late. For example, one might turn to the ghastly example of Nandigram, where the government of West Bengal attempted to transfer 14,000 acres of agricultural land to Indonesia’s Salim Group to establish a SEZ. Nearly 3,000 villagers revolted, and security forces responded with a deluge of violence upon hundreds, killing 14 villagers on March 14, 2007⁷⁸. Nandigram, receiving a slew of media attention, has come to be a euphemism for “state-sponsored corporate violence against peasants”. As founder-director of the India Development Foundation (LDF) Shubhashis Gangopadhyay says, “There is no reason for Nandigram to happen in a democracy. It is a disgrace that in

⁷⁷ Bellman, Eric. “Mahindra Satyam’s New Owner Tries to Move Past Disgraced Owner”. *The Wall Street Journal*. July 23rd, 2009. <http://online.wsj.com/article/SB134830819046244189.html>

⁷⁸ Phadikar, Anshuman. “Nandi’s Chickens Come Home to Roost.” *The Telegraph*. May 14th, 2010. http://www.telegraphindia.com/1100514/jsp/bengal/story_12447702.jsp

this day and age the only way a person can be heard is by being shot, or raped.”⁷⁹ Tracing the chronology of the anti-SEZ peasant struggle, *Tehelka* points to the Goa struggle in 2008. Purportedly, massive public protests over the span of a few years led to the government to reconsider the SEZ policy in Goa altogether, and twelve of the fifteen proposed SEZs were “scrapped”. Further, militant struggles have also transpired in Orissa with the POSCO steel project, which has been touted as India’s largest FDI. It is expected by developers to bring in Rs 50,000 crore, yet it has been stalled continuously since 2006 due to the widespread public opposition. Another anti-SEZ, anti-land grabbing struggle received considerable media attention in the towering Mahamumbai SEZ in Raigad, Maharashtra⁸⁰.

Despite these rare peasant “victories” in the militant movements in Bengal, Goa and Maharashtra one must question: Why it is that in most situations peasants are failing to predict the life threatening situation that land acquisition puts them in? Even if peasants retroactively protest the acquisition, it is usually at a stage that is too far down the line to obtain tangible results.

CHAPTER 3: VOICES FROM POLEPALLY (FIELD WORK)

In the short time I was immersed in the field, I was able to make several observations about the nature of the interaction between hegemonic power and the subaltern and the demobilization that comes as a result. I shall start with a story of the establishment of the Polepally SEZ, the struggle and where my role as a researcher fit in,

⁷⁹ Government Must Have Greater Transparency While Creating SEZs, 2007. *Tehelka*. http://www.tehelka.com/story_main30.asp?filename=Bu020607Punditspeak_7.asp

⁸⁰ Shrivastava, Aseem. The Peasant Mutiny of 2009. July 18th, 2009. *Tehelka*. http://www.tehelka.com/story_main42.asp?filename=cr180709the_peasant.asp

because, as stated before the aim of my research was to play an entirely interactive role in fighting oppression. Thus the interviews, the surveys, and activism I engaged in while in Polepally are valuable mediums to analyze resistance.

I. CONTEXTUALIZATION OF RESEARCH

When I entered Polepally, a small village about 80 km outside of the Andhra Pradesh state capital, Hyderabad, I had been instructed to expect apathy. I had spoken to renowned activist-writer, Bijay Matthews, days before I embarked on the road to Polepally. He said “Don’t expect that they warm up to you right away”⁸¹, but I had no precedence to imagine the pervasiveness of their hopelessness. I remember my first Polepally interview was in the Gund Lagga *Tanda* (colony) with a 40-year old *Lambada* woman, Rukmini⁸².

Rukmini was so distressed and revolted with the idea of speaking to me, that she greeted me with a plea of death. Before I could muster the words to introduce myself she yelped, “Do you have any poison? Because I want to die!” She then proceeded to flail her ornamented body about in the sweltering sun. Beads of sweat were accumulating on her corpulent neck and eyebrow ridge. Her dirty toes were adorned with gaudy toe rings, a symbol of being a married woman. They dug deep into the crumbly red soil. Her

⁸¹ Matthews, Bijay. Interview 10 August 2009.

⁸² The Lambada is a community among other tribes notorious for their hard agricultural work and trade, their gaudy clothes and their Lambani song and dance homage they pay to the gods in the high hopes of a good harvest. Indigenously, they were concentrated in the arid land of Rajasthan but bled outwards like the murky smog of a desert fire to find agricultural work and trade in many other parts of India. The Lambada belong to the Scheduled Tribe (ST) Caste, as classified by the Andhra Pradesh State Government. STs have been characterized as marginalized; despite the constitutional amendments put in place to protect them from outside encroachment (see Schedule 5). Although *adivassis* live in all different geographic biomes, this can be attributed to two broad reasons: 1. They are often located in *tandas* distant from the village and have trouble accessing power 2. They rely directly on India’s rapidly deteriorating natural resource base to sustain their livelihoods and their habitat.

graying hair was parted and collected messily into what looked like two silver medallions on each side of her head. I later learned these medallions are called *chotla*. I noticed myself fetishizing these gaudy symbols of tradition, as did the media in covering the struggle. It was a realization that disgusted me. In the distance, several toddlers roamed in the nude. Their bodies looked like little potatoes rolling across a mound of cow dung. In the foreground, the lightening bolt of energy was leaving Rukmini's body; she retired to the rough jute bag rug upon which I sat cross-legged, along with three other women dressed in similar "garb". One of the women held a six-or-so-year-old girl who had puppy dog eyes, long eyelashes, and two feet that curled under like the tail of a kitten. She couldn't walk, so she had to be carried everywhere she went. She was very shy, unlike the voluptuous Rukmini, who in response to my intimidated request to talk to her, asked, unreservedly, "Why should we talk to you? What are *you* going to do for *us*, give us back our land?" It was a question I was about to encounter a lot in the coming days. I felt like I was the host of a bad television show: the White, male host goes into a degrading Black neighborhood and interviews cowering women about their abusive relationships. You, from your arm chair, are protesting, "Why don't you help them?" I realized I was the elite talk show host. And I obviously could not help them.

Before I could think of anything to say to her rhetorical question, another woman had started speaking in a shrill tone, and then another started shouting over her. They were having a yelling match about their land loss. It was clear they knew I was here to ask them about the SEZ, and it was almost as if they had planned out their grief and summoned it here to share with me. Once the time came to execute the performance, they couldn't decide who would take the leading role. They took their frustration out on

each other and their audience, who was paying to watch the show. The reality was that dozens of reporters, activists, politicians and lawyers had been prying their way into the “Polepally disaster” after the 2009 MLA election, where 13 farmers stood as independent candidates to protest their losses. In fact, what initially attracted me to Polepally Village was an article I stumbled upon in The Hindu titled “Polepally Thirteen Protest SEZ Killings in Jadcherla” written by Palagummi Sainath. Although the stunt was *intended* to draw people to the village to hear the voices of Polepally, most of the Polepally people had lost complete faith in the movement by the time I arrived in July and had no interest in outsiders. After struggling for so long, with their demand of “land for land” remaining unfulfilled, many seemingly wanted their normal lives back- as normal, of course, as life could be in the absence of the one thing that sustained their dignity and livelihoods.

II. BACKGROUND ON THE POLEPALLY VILLAGE

Polepally lies in the heart of the Mahbubnagar district, consisting of 64 *mandals*, 11 towns, and 1,545 villages (1476 inhabited villages and 69 uninhabited). Its name came from Mahabugnagar, its headquarters town, which was named after the erstwhile 6th Nizam, Mir Mahabubali Khan, in 1929. The district was earlier and continues to be known by many as ‘Palamuru’. Its boundaries are: Rangareddy and Nalgonda districts (to the North), Nalgonda and Guntur districts (to the East), the rivers Krishna and Tungabhadra (to the South) and Raichur and Gulbarga districts of the Karnataka state (to the West). Its total area is 18,432 sq. kms (District Profile, 2009).

Mahbubnagar is one of the poorest districts of India with 52% of its population living below the poverty line. A further indicator of the pervasive poverty is that one fourth of the 3,503,876 population falls either in the SC or ST category (as per the 2001

census). The ST population is largely made up of the *Chenchus*, *Banharas* and *Lambanis*. Tribal peoples in this district have the lowest female illiteracy in the state, plummeting as low as 3.1%. Overall literacy in Mahbubnagar is low but comparable to that of the state.

The district is almost entirely rural (89.40%), with little urbanization and few farm opportunities. In fact, Mahbubnagar has seen increasing ruralization over time, contrary to the growth trajectory of most of the state (with 10% higher rural population than that of AP as a whole) (ibid). Its inegalitarian social practices are perhaps the best indicators of the poverty inherent in the district. For example, the atrocious *jogini* system⁸³ is still practiced ubiquitously in both the villages and the mandal headquarters. Further, Mahbubnagar's *palamuuru*, or large-scale migrant labor system, has brought the district considerably infamy and has been referred to as "the largest migration in the world" (ibid). The practice has its origins in the colonial era, the British using bonded labor groups to further "public works" such as highways, railway tracks, and irrigation projects. The Nizam of Hyderabad recruited labor from the district as early as the 1920s. In 1934 Mahbubnagar citizens formed the work force in the construction of the famous Nizamsagar dam. The exploitative practice hasn't disappeared with economic liberalism, with industrial dams all across the nation being constructed on the backs of Mahbubnagar citizens (ibid). Accordingly, between 10-15 lakh (1-1.5 million) people go out in search of work every year.⁸⁴ Workers are recruited by village administration by giving advances of as low as Rs 5-Rs 10 (.21 - .32 ¢). This practice, according to CARPED,

⁸³ Jogini is the practice of enslaving young Dalit women as prostitutes for the use of forwards caste patriarchs.

⁸⁴ Iyengar, Pushpa. Migration is a way of Life in Mahbubnagar. The Times of India News Service.

“underlies every other social evil [of the district]- be it child labour, female illiteracy, gender inequality, poverty and powerlessness” (ibid).

In Polepally, the majority of the total workers (2,517) were considered “main” workers (2,336). A little less than half of the total workers were considered “laborers”, while a little more than half were considered “main” cultivators. This means the majority was gainfully employed in agriculture. Those who are classified as “laborers” could either be workers on a landlord’s property or migratory contract laborers. Seeing as how in the census data there is a category for “marginal” workers who only account for 181 persons, it can be assumed that the majority of the “laborers” category was not migratory (Census 2001). In my survey, ten out of 51 land losers reported that they left the village for more than 60 days in the past three years (about 20%). On the other hand, none of the 15 non-land-losers reported labor migration. This suggests that landlessness degrades one’s capability to resist out migration. Also, seeing as how there were very few landless people in Polepally prior to acquisition, it would be interesting to know how many of these 10 were contract laborers in the pre-SEZ era.

III. POLEPALLY ANTI-SEZ STRUGGLE

“We, Polepalli SEZ Vyathireka Aikya Sanghatana are contesting these elections as we find all political groups have cheated the poor farmers and are responsible for their deaths. All political parties are silent on this major crime that’s taking the lives of people in the name of the SEZ”. These powerful words were endorsed in a press release by the “Polepally Thirteen”, the label conferred upon the SEZ-affected *Dalit* farmers who ran as independent candidates in local elections. The election was a political move “to split the

votes of the dominant parties who are responsible for the state [their] people are in today”, explained a younger member of Polepally to a reporter from *Tehelka*⁸⁵. The Polepally Thirteen plus two other non-land losing farmers did in fact cost the Telangana Rastra Samithi (TRS)⁸⁶ legislator his seat in the May 2008 Jadcherla election. An even more impressive story was the garnering of 77,568 votes in contesting the 2009 Parliamentary election for the Mahbubnagar seat in the Lokh Sabha. The media went wild with the mere idea that uneducated farmers would speak back to power and implicate corrupt politicians as direct participants in the decline of the village. It seemed to outsiders like a Zapatista-style revolution was happening in Southern India.

The idea of a united farmer struggle disappears when you immerse yourself in the village. First off, it was clear not everyone was *ideologically* committed to the anti-imperial movement, as many had implied. In fact, most people were not. Many did not care or understand the broader need for rethinking the development model across India, nor did they seem particularly moved by the movements’ “politicization” of their community. This is not to say that the movement did not politicize the people, but in a myopic sense the people found this transformation useless. Politicization on its own terms is futile unless there is something to fight for; the farmers at this point saw nothing left to do. One of the many times people asked me *why* I was so persistent on recording their narratives, I responded something to the tune of “The more your voice is heard, the more common people will understand the problems inherent in land acquisition, and we can stop this from happening to other farmers across India”. The audible scoff at this answer rendered my own concern disingenuous, in my head at least. I knew I honestly

⁸⁵ Asher, Manshi. “Land from Landless”. *Tehelka*, 9 August 2008.

http://www.tehelka.com/story_main40.asp?filename=cr090808landfrom_landless.asp

⁸⁶ The TRS was the local ruling party when the “Green Park” was introduced in 2001.

did feel that it was extremely important to publicize the atrocities caused by the SEZ policy. However, my motives were insensitive for several reasons. Aside from my elite cosmopolitanism, allowing me to escape the reality of the situation I was in without risking financial or physical jeopardy, I was coming from a distinctly anti-imperial perspective. I was fantasizing about waging a national peasant revolution, creating a vehicle for an international solidarity struggle. However, in reality an anti-imperialist ideological struggle seemed beyond their scope of immediate attention. As Scott describes, the peasant is subject to a certain kind of localization (Scott 1983). They are more or less confined to their village, exiting only for work, to visit the market in adjacent mandals, or, if they are privileged, visit relatives in the nearest major city, Hyderabad. During times of famine in Vietnam, explains Scott, there were villages where nobody went hungry, adjacent to ones where everyone did. Sharing with someone from within the village was second nature and turned out to be the only way people survived, yet sharing with someone from another village was unheard of (ibid). But I cannot attribute the peasants' localized interest entirely to their lack of experience.

Localization occurs at all levels of society; even among cosmopolitan activists. I can say that it was my own localization that prevented me from initially seeing the whole picture. Whereas the corruption inherent in evicting poor farmers to start sweat shops was clear as day to me, I was blind to the deeply-rooted issues (caste hierarchy, landlordism and local politics) that were catalyzing and allowing land acquisition to continue. As VB Rawat, from the Center for Social Development, reminded me, "When you fight against American Imperialism, you have to fight against Indian imperialism"⁸⁷ It was Dr. Bhimrao Ambedkar, the first "untouchable" statesman and caste reformer, who

⁸⁷ Rawat, Vidya Bhushan. Interview, 10 August 2010.

said during the freedom struggle that the Indian village is marred with religious fundamentalism and casteism. Although, as we will see, this hierarchy has reached all time heights in the post-independence era, it was a salient issue long before Ambedkar's time. Thus, to liberate the Indian people, one had to attack the core of social hierarchy and oppression. In his critique of those who unilaterally saw freedom in economic reform, he declared rather poignantly, "Men will not join in a revolution for the equalization of property unless they know that after the revolution is achieved they will be treated equally and that there will be no discrimination of caste and creed" (Ambedkar 1944:10)

In brief, it was clear by the farmers' first and foremost intention- rehabilitation- that they did not subscribe to the anti-globalization ideological battle. In reconstructing a subaltern history, one must recognize the motives of the people and how they arrive at that point. It is instructive that in the earliest phases of land acquisition, there was hardly any anti-development action taken by the farmers. When HRF (Human Rights Forum), a network of lawyers working on behalf of marginalized folks in Andhra Pradesh, attempted to mobilize the Polepally people in 2001, knowing the potentially harmful manifestations of the SEZ, the Polepally farmers were not inspired by their enthusiasm. "We read them their rights and asked them if they were ready to rebel." However, "They were not ready"⁸⁸.

In numerous interviews farmers were asked, "Why did you sign the land acquisition documents?" Other than being coerced through explicit threats or being bribed with alcohol or other gifts, there were three common responses.

⁸⁸ Balagopal, Kandalla. Interview, 5 August 2009.

- (1) **Hopes for finding a new frontier.** According to one account, small farmers were suffering from poor soil, with semi-sandy and rocky lands; the prospect of buying new land elsewhere was tempting⁸⁹.
- (2) **Overcoming geographical isolation.** In anticipation of the construction of the new airport in Shamshabad there came, alongside a flurry of media-driven hyperbole, the hype over the road: National Highway Number 7. In Polepally, several miles from No. 7 with only two daily rickshaw rides to and from it, farmers were motivated by the thought of buying land closer to the major road, on which they could sell their goods. Others were under the impression that if they had better access to the road, they could go in search for jobs more easily. 32-year old, Narsima, recounted his story: “In 2003, when I found out my land was being acquired I sold all of my cattle and bought a small housing plot near the road in a neighboring village. Now I don’t have anything left. If I were properly compensated I could build a house there.”⁹⁰
- (3) **Gaining reliable employment.** Other farmers, I found, were driven by the idea of steady employment in the anticipated “Green Park”. One farmer of Mudureddypally said he thought the Green Park would become a “plantation”⁹¹. Others had the impression that they would become paid horticulturalists in the new companies.

IV. MAHBUBNAGAR: STRUGGLE FOR LIVELIHOOD

⁸⁹ Anon. Interview, 10 July 2009.

⁹⁰ Anon. Interview, 8 July 2009.

⁹¹ Asher, Manshi. *Land From Landless*. August 9th, 2008. Tehelka.
http://www.tehelka.com/story_main40.asp?filename=cr090808landfrom_landless.asp

In Andhra Pradesh, there are 80 lakh (170,866) acres under irrigation. But in drought-prone areas, farmers are not aided by government programs any more than the ones that are irrigated. The district of Mahbubnagar, where Polepally lies, is often referred to as *karuvu jilla* (drought district). It has massive expanses that are officially declared as “drought affected”, and cultivation is only possible for four months during the *kharif* (monsoon season) (District Profile, 2009). On the other hand, drought-plagued districts have overcome their crisis through a wide range of tactics. With the use of indigenous knowledge, environmental think tanks have formulated an array of models to combat drought, which range from watershed management to subsidizing indigenous drought-tolerant crops. The problem is that these programs to alleviate drought have been largely neglected or underfunded by the government.

Further, according to my survey, the most common crops grown in Polepally were wheat, corn, and BT-cotton. There is evidence that BT-cotton has caused a mass of crop loss, which has led farmers down a winding tunnel of debt (District Profile, 2009). In Polepally, as my survey showed, most farmers are in a situation where they are perpetually indebted to usurious market lenders⁹². On average, each responded was Rs 43,800 (\$935.49) in the hole. 20% of the total respondents said they used all of their land compensation money to clear debts.

As a result of the unattended drought situation, people who have only four meager months of agriculture, for the remainder of the year are left to migrate to find contract labor. As mentioned before, Mahbubnagar’s *palamuuru*, or migratory labor system, has

⁹² Interview July 2009.

been referred to as “the largest migration in the world”, and between 10-15 lakh (1-1.5 million) people go out of the district in search of work every year.⁹³

V. AWAKENING TO POLITICAL ACTION IN POLEPALLY

It was not until 2005 that the farmers realized that the Green Park was slated to become a pharmaceutical SEZ; from 2003-2005 their land sat fallow. The news that the government was selling 75 acres to both Hetero Drugs Pvt Ltd and Aurobindo Pharma Ltd at the price of Rs. 7 lakhs/acre marked a turning point in the struggle⁹⁴. The fact that farmers were then mobilized at this point can be explained by two main factors. The first stems from the fact that farmers then realized that they would not after all be granted the horticultural jobs they were promised. They would either be reduced to menial jobs in the companies, or even worse, full time dependence on *palamuuru*. The second reason for mobilization is, to put it plainly, the feeling of being gyped. Gurr asserts that “relative deprivation is the basic precondition for civil strife of any kind, and...the more widespread and intense deprivation is among members of the population, the greater is the magnitude of strife” (Gurr 1968:1105). What can further be extrapolated from Gurr’s hypothesis is: the likelihood and magnitude of rebellion comes from the gap between what a person is getting versus what the person thinks he/she deserves, or one’s perceived deprivation. As such, the Polepally farmer was discontented with the initial amount granted, but when he saw the APIIC profiting at a rate that was nearly 38 times the rate he was paid, not too long after his land was acquired, the likelihood of rebellion increased.

⁹³ Iyengar, Pushpa. Migration is a way of Life in Mahbubnagar. The Times of India News Service.

⁹⁴ Balagopal, Kandalla. Interview 5 August 2009.

The initial upsurge, however, was rudimentary and militant. One woman recounts her experience partaking in this battle:

In the beginning [2003], there were only three of us, Kurumaya, Garuma and Venkatama. We made a suicide threat to the [SEZ] officials with a vial of poison. We sabotaged all of the water pipes. We cut a fire trail all around the perimeter of the park and set it ablaze. We chopped down the trees that used to belong to us. The developers built a fence to keep us out, and we chopped that down too. At that time, I had so much energy to fight the companies.

By 2006 (after they learned of the sale to Hetero and Aurobindo), the group of three militants had grown into an association consisting of roughly 45 farmers.

One day we set up tents on our fields and we brought our rice and we cooked our lunch right there. Whenever someone walked into the SEZ, we would chase them and throw hot chili powder on their backs. One night the police came to arrest us, and we didn't want our husband to fight them....so we stood in front and said 'Remove your armor. We will fight you! You people have cars... in your asses... and phones in your ears, come fight us! Then we were arrested and beaten with lathis. Anjamma [another woman from her caste community] suffered blows to her spine. There were so many of us in the jeep, that several of our men jumped out of the back and ran. When the police stopped to get them, many of us escaped. The men ran into the fields, where there were many thistles. The men took their white lungis off and tied them under cloth on their heads so that they could not be seen. The thistles [of the fields] were scratching.... their legs as they fled the police... half naked....[laughter erupts].⁹⁵

Another group of women recalled, "20 of us were taken into custody, we were in the prison for 2-3 days, we had to borrow money to post bail. It was very costly".⁹⁶

It was not until April of 2008 that a social reformer, Sujata Surepally, had come in from the outside and joined with another activist, Madhu Kagula (who had entered in 2006), to direct this energy into a political campaign with five primary demands:

- Scrap Polepally Pharma SEZ
- Hand back the acquired lands to the farmers
- Pay compensation for the loss of crop on acquired lands for the past 5 years
- Order an enquiry by Supreme Court judge on the faulty land acquisition process

⁹⁵ Anon. Interview, 5 July 2009.

⁹⁶ Group Interview, 15 July 2009.

- Stop further allotment of lands in Polepally SEZ and hand over the remaining land with immediate effect
- Repeal SEZ Act⁹⁷

She nationalized their struggle through elite mediums such as blogs and activist forums in both English and Telugu. They staged *bhu satyagrahas*⁹⁸ and *dharnas*⁹⁹. Ms Surepally helped organize anti-SEZ mass meetings. Representatives from all political parties except the ruling INC came to a Citizens Round Table in Hyderabad to discuss the Polepally land acquisition. All political parties made promises to help the Polepally people. The label *13 Dalit farmers fighting against injustice* was romantic and attracted many activists and media to the village, including myself. The newspaper, *Tehelka*, deemed it “one of the most creative and audacious and creative strategies that any grassroots movement has used in recent times to challenge existing power structures”¹⁰⁰. Indeed, the farmers cost the local Telugu Desam Party MLA his seat in the *Lok Sabha* (the lower house of the Parliament of India) and raised a lot of awareness, but were they ultimately successful in realizing their demands?

VI. PURCHASING DISSENT: VILLAGE-LEVEL PATERNALISM

What can be quantified in the results of this hard fought battle, other than jail sentences and debt, is a series of marginal concessions granted by government officials. Each of the “affected”¹⁰¹ people technically received Rs 70,000 (\$1,495.08), access to a communal ten-acre graveyard and a 36x50 ft plot to construct a home on. These

⁹⁷ Fighting Injustice in Polepally SEZ. <http://polepally.wordpress.com/>

⁹⁸ *Bhu* means land. *Satyagraha* is a form of non-violent resistance developed by Mahatma Gandhi during the Freedom Struggle. *Bhu Satyagraha*, it follows, is resistance on land, or “land strike”.

⁹⁹ A *dharna* is a non-violent “sit-in”.

¹⁰⁰ Asher, Manshi. Land From Landless. August 9th, 2008.

http://www.tehelka.com/story_main40.asp?filename=cr090808landfrom_landless.asp

¹⁰¹ This word, is actually misleading as everyone in the village was *affected* in one way or another, given the gargantuan nature of the SEZ and the way it drastically altered group and individual relations in the village

concessions were confined to writing in many ways. The supposed housing plots lay in a ditch, which would cost roughly Rs 10 lakhs (\$21,358.33) to properly level, a huge sum that the government did not intend on providing. Interviews with the government agents prove the volatility of these awards. While state level decision-making officials spoke in terms of “philanthropy”, they simultaneously used a drawn-out award process to divert the attention of the actors within the movement. This in turn allowed rank and file officials to now effectively or justifiably deflect responsibility for the plight of the farmers. When confronted by farmers, rank and file officials are hard pressed to look them in the face. Although they have jumbled information and are often incompetent at even recalling the most basic details of acquisition, they spout the same types of responses and remedies that are given by the APIIC. “Rome was not built in a day” was a favorite of these responses. This was to say that the long-term benefits of land acquisition and the SEZ were yet to materialize. The impatient, uncivilized farmers would have to sacrifice their “uncivilized” lives for a broader good of development. Rome was, after all, built on the backs of slaves.

I actually began my trips to the government offices because I found out halfway through my stay in Polepally that 26 people, one of which was Narsima, had still not yet received the above Rs 70,000 (\$1,400). After countless hours and rupees of traveling back and forth to fight with government officials (actually Narsima had a very detailed booklet of all of the paisa he had spent traveling back and forth to revenue offices- the word *countless* would be inaccurate), Narsima had given up at trying to understand why he had not received this extra boost. The boost, although not as valuable as land, would be enough money for him to build a small house on the miniature plot of land he had

purchased a long time back in another village. I knew the local officers spoke some English, so I decided I would secure a rickshaw for us to travel to Jadcherla, where the Mandal Revenue Office was, to inquire about Narsima's situation. After waiting in a winding line for over two hours, Ravinder Reddy, one of the village officers, rang a bell and told us to approach his desk. I introduced myself, strategically, as an American who had come to do research on Polepally SEZ. I then introduced Narsima as a friend and a farmer of Polepally; we had come to ask him for help. He then, with what I suspected was amusement in his eye, said, "Please, sit down." There was one plastic chair. I offered it to Narsima first, and Mr. Reddy said, "No, you sit". Narsima was expected to stand. This was not unusual behavior of a rank and file officer towards a land losing farmer; on another occasion the villager I was with was expected to assume the role of the *chai-walla*. It did not matter that the intention of the meeting was to discuss *her* property. It was clear the official had adopted a condescending and paternalistic persona. In regards to Narsima's deprivation, Mr. Reddy did not have clear answers. He gave me several explanations for the missing sum, all of which were bogus. He did, however, vehemently defend the APIIC. He said "It was not their responsibility to take care of these poor farmers", and "They were being generous by sanctioning the money in the first place"¹⁰². At the end, for his precious attention, he expected us to pay him a bribe.

Other officials gave similar defenses of the company's neglect of some of Polepally's poorest. Although we were able to finally obtain a straightforward answer from one government official, the Mandal Revenue Officer (MRO), it took us several trips of this nature to learn that the money was being granted in installments by the two existing corporations in the SEZ, Aurobindo LTD and Hetero Drugs. The former

¹⁰² Reddy. Interview. 7 July 2009.

company was sanctioning money to half of the land losers while Hetero to the other half.

We sent several letters of the following nature to the Revenue Divisional Officer, Sateesh Chendrah, who had the most direct interaction with the Development Commissioner of the SEZ:

Date: September 9th, 2009

From:
Narsimulu, Son of Chennaiah
Pollepally Village
Jadcherla Mandal
Mahabubnagar

To:
The Respected Mr. Sateesh Chendrah
Revenue Divisional Officer, Mahabubnagar

Sir,

I am a concerned citizen and farmer of the Pollepally Village. I am writing because my land was acquired for the purpose of establishing an Industrial Growth Center. I was thereafter provided a certificate, which stated my entitlement to a plot of land in the front of my village. I was also promised the sum of 70,000 Rs, which I have not yet attained. On the date of 10-02-2009 a letter of notification was sent from your office to the Office Incharge of Hetero Drugs/ Labs Limited requesting that the money be paid to the APGVB Bank Manager of the Badepally Branch in Jadcherla, however that sum has not materialized in my name at the APGVB bank. On 07-09-2009, the Bank Manager has informed me that I do not have an existing account with the APGVB bank, nor has the company Hetero Drugs attempted to deposit the sum of 70,000 Rs in my name.

There are several persons including myself who have not received the entitlement of 70,000 Rs. I am requesting that you take the necessary steps to provide this money in an expeditious manner. Please inform me if there are any complications regarding this request. Otherwise, I will expect that this matter be cleared within the coming days.

Yours faithfully,

Narsimulu, Son of Chennaiah
PH: 9908617753

Witness: Samantha Agarwal
Citizen of United States of America
email: agarwal.71@osu.edu

Copy submitted to the Collector, Mahabubnagar, Copy to Tahsildar, Jadcherla. Copy to Bank Manager, APGVB Badepally Branch, Jadcherla (M).

Figure 1: Letter to Revenue Divisional Officer on Behalf of Polepally Farmer

In the final days of my stay in Polepally, after camping outside Mr. Chendrah's office for a total of ten hours, we managed to secure his personal cell phone number. As he thought he'd elude us by being out of town, we retorted we'd meet him "half way" in his journey back into town. We encountered him half an hour later at a government guesthouse. After a cordial introduction, we were able to convince the official to make a personal visit to Hetero Drugs. On the final day I was in Polepally, I received word that they had sanctioned the remaining installment. This indeed was a bit of positive affirmation as to what I believe the real essence of research is and can be for all social scientists. In my trips to the government offices I learned many things about the nature of governance at the village level. I learned that local democratic institutions are either nonexistent or wield very little autonomy by any [institutional] political standards. Under-qualified, underpaid and dispassionate bureaucrats carry out decisions, while the lot of the people can have varying degrees of influence according to their caste and class, and the mood of the official in question. In regards to Polepally, I learned from many officials who stopped to chat, curious of our intentions, that the word "Polepally" struck a sour chord in the bureaucratic score. Some felt compelled to tell me they were "terrorized" by Polepally activists. It seemed almost impossible for a farmer who participated in the anti-SEZ actions, like Narsima, to access power, let alone assert his right to information in this hostile environment. This interaction led me to wonder, "Would a total rejection of this compensation, with a militant "no concessions" bottom line have been more beneficial to the people of Polepally?" Clearly, an air of despair was a factor in the activists' advice to take these band-aid allowances, especially with the mounting "unnatural deaths" among the ranks of the Polepally people. But the

concessions had allowed even the rank-and-file officials to assume a paternalistic relationship with the farmers. As my survey showed, 100% of the land losers now rely on the Public Distribution System (PDS) and have white ration cards, which are procured for those who earn less than 10,000 Rs/year or less. Aside from the PDS, there are seven other welfare schemes that are provided by the state government. Although most of these programs “do not serve the purpose if the beneficiary does not have money to meet part of the cost of the product i.e. margin money for building a house under Indira Awas Yojana”, a study by CARPED stated that dependence of welfare schemes has gone up in Polepally in the post-SEZ years (Bhushan 2010). People complained that they have come to rely almost entirely on the PDS as a result of reduced availability of farm produce. Further impoverishment has prevented Polepally residents from affording market prices of goods, thus purchasing more of their food from ration shops. Out of a survey population of 370 respondents, the following results were measured:

Welfare measures availed by respondents	Yes	percent	No	percent	Not mentioned	Total
Do you have a ration card?	362	97.84	7	1.89	1	370
Have you availed Indira Awas Yojana?	90	24.32	279	75.41	1	370
Do you have old age pension?	178	48.11	191	51.89	1	370
Do you receive pensions for being physically handicapped?	16	4.32	353	95.68	1	370
Do you take part in NREGA?	185	50.00	184	49.73	1	370
Do you participate in a thrift & credit group (SHG-IKP)?	221	59.73	147	39.73	2	370
Do you avail services of Rythu Mithra Group?	4	1.08	365	98.65	1	370

CARPED 2010

Figure 2: Village Welfare in the Post-Acquisition Period

Although it is not clear exactly to what degree the Polepally farmers’ dependence of welfare has increased, as there is no comparative data from pre-SEZ years, some of this

information is common sense. Although farming is not a lucrative endeavor in the Mahbubnagar district and cash crops such as Bt-Cotton have failed on a mass scale, data that I collected in my survey showed that people were successfully growing a variety of food crops without a high incidence of crop failure. The problems associated with increased welfare dependence are endemic, and it has long been known that welfare programs act as “instruments of manipulation” for paternalistic actors (Friere 2006:152). Local officials gain leverage over poor farmers, as they can choose with whom to build linkages. One result has been the neglect of large portions of the poorest farmers, or those with the least political clout. For example, one member of the ST described the relationship between the people in the Gundlaggada Tanda and the welfare system:

We used to earn up to Rs. 1.5 lakh/yr. and now we are getting only Rs 10,000/yr. Under the ration program we get 1.5 kilo sugar, ½ kilo red gram, 4 kg rice per head, per month....Some have left the Thanda for other work....We cannot get NREG [National Rural Employment Guarantee scheme]. The government hasn't included us. All tribes have one chief, the *Darmanayak*, who is the head of the ward. But all wards are [in practice] headed by the *Sarpanch* [village chief]. The *Sarpanch* neglects us. Only if we talk *coolly* can we get some special benefits. Most of the time we don't have access to these things.¹⁰³

As Friere explains, this selective distribution, spoken about by this member of the Lambara Tribe, has the grave potential to “splinter the oppressed into groups of individuals hoping to get a few more benefits from themselves” (Friere 2006:152). Those who do not receive aid “grow envious”, further diverting the people's rebellious energy into finding ways to become the “ideal” poor man (ibid).

¹⁰³ Interview, 11 July 2009.

VII. THE AFTERMATH: DESPAIR IN POLEPALLY

Although the struggle ignited a flame, the acrimonious ending was a damp blanket. As I was leaving the *Tanda* on that first day in Polepally, one of the women present in the interview asked me sarcastically if I was going to “take her photograph”. I soon learned that a couple months back a big shot reporter had come to do a story on the struggle and had brought very fancy photo and video equipment. Another activist I later met had filmed a short documentary on them. Although I was the first to do academic study on the people of Polepally, it is common for activists who have visited the village to say they are suffering from “research fatigue”¹⁰⁴. A deluge of highly educated folks have entered the village to dissect, analyze, and give suggestions on the suffering of Polepally people, while people such as Abdul view our wealth and wonder, “What we will do for them?” The agitation and desperation plaguing the village today is visible and urgent. 42 people had died of suicide or stress-induced heart attacks since the beginning of the battle in 2003, according to villagers. Often women are left to bear the financial burdens (clearing the debts left behind by their husbands) and social burdens, widows being historically stigmatized and outcaste from the village.

In the remainder of the interview with the men in Abdul’s shop, I asked the question “How has your life changed since the 2005 land acquisition?”

Abdul: When we had land this corner and that corner: houses, vehicles, *juurlu* [word unknown to this writer], milk [i.e. everything was nice]

Another Man: [makes unintelligible comment] We were eating out of what we grew [writer *thinks* this is what was said]. Now we are not getting anything unless we buy it. We are not getting *vuluvalu* [a type of grain], *kandulu* [writer thinks this is a type of grain or legume], legumes, [and some other items unintelligible to this writer]. We used to get red lentils. If they eat *vuluvalu*, they were not having any *BP* [blood pressure] sugar problems and now we are not getting them and we are facing BP sugar problems.

¹⁰⁴ Rawat, Vidya Bhushan. Interview, 15 August 2009.

Abdul: Grains, milk, curd, everything we used to get and we used to be happy. So what profit is in this for us now? ¹⁰⁵

As seen above, the lack of protein seems to be a perpetual problem the deprived farmers have resigned themselves to shrugging off. Farmers no longer have a steady source of nourishment to fuel their struggle; malnourishment-induced diseases such as anemia have become especially common in Polepally. Many have picked up the hobby of consuming *arrack* two or three times a day.

Other interviewees when asked the same question alluded to the fact that the impoverishment caused by landlessness is exacerbated by external factors such as illegal chemical dumping from non-SEZ companies. Overall health and welfare was on the decline, which was often attributed to external factors such as the declining quality of water in recent years. An elder, Janglimma, complained, “See this water [holding out a vassal of water]? It is from the company, Pavani. It is making everyone in the village sick. We used to be so energetic about getting our land back; now I have become lethargic.”¹⁰⁶ A handful of farmers, on separate occasions, complained of “chicken roaming disease”, which they claim has “taken over the village”. The apparent symptoms of the illness are headache, fever and delusional behavior. Everyone attributed it to the freshly poisoned ground water. One villager who was blind in one eye said that she was washing her dishes in the local stream, when she bent down to wash her face and the acidity of the water blinded her. Another added, if you put your finger in the pond, the “skin will corrode off your bone”.

¹⁰⁵ Bharat, Abdul. Interview, 5 July 2009.

¹⁰⁶ Interview July 2009.

Other villagers had seemingly lost their usual vim after the “defeat” of the struggle. Anglimma, age 34, “used to sing all the time”, reflected her neighbor Laxmama. “Now she doesn’t use her instrument [her voice]. You see... She says there is nothing to sing for anymore.”¹⁰⁷ Another elderly group of women I interviewed belonging to a SC family, explained how they fought for their lands. They were arrested and thrown in jail. Now they had “become weak”. When I suggested, “you are the most knowledgeable people of Polepally- you have been here the longest and know the most about the land” they responded “What do we know? We are illiterate. We do not know anything about the land value or the papers. We know nothing. We are almost 70 years old; we have nothing left to live for.”¹⁰⁸ Another common complaint is the rampant bachelordom in Polepally; without land elders no longer have a dowry to offer to the families of male suitors. According to one of the elders, Biju Kingola, age 69, it is almost impossible to marry off the daughters of Polepally.¹⁰⁹ There seemed to be no light in the end of the Polepally tunnel.

Although the Polepally activists have asserted, “The Polepally struggle proved that it doesn’t take money bags to stand up to power”¹¹⁰, the campaign they waged, again, was costly. Aside from the fact that the poorest members of Polepally still complain of the debt they are still struggling to pay off from campaign-related costs they incurred (traveling to and from the capital, paying bail after the arrests, etc.), broader strains came of the struggle. The government officials who the farmers now rely almost entirely on for their food provision (whereas before they only used ration cards to

¹⁰⁷ Anon. Interview 3 July 2009.

¹⁰⁸ Anon. Interview July 5 2009.

¹⁰⁹ Kongola, Sinu. Interview, 5 July 2009.

¹¹⁰ Surepally, Sujata. Interview 10 July 2009.

supplement their food stock) have come to despise Polepally farmers. When I asked one village officer, what he thought of the 42 post-SEZ suicides, he retorted, “Most of those were old bastards...”.¹¹¹ This type of common remark displays the extent to which officials have come to think of Polepally citizens as wasteful, unappreciative and uncivilized.

CHAPTER 4: CAUSES FOR DEMOBILIZATION

Indeed, the Polepally farmers signed the land acquisition documents, and there is compelling evidence that they were coerced into signing. The question remains: Why didn't anyone take action after they realized the vulgarity of the process? Why, since they knew the land acquisition was illegitimate and unlawful, didn't the farmers succeed in reclaiming their entitlements? As mentioned earlier, the entire process could be contested with the claim that illegal means were used to obtain land. Or, as in Nandigram, they could put political pressure on the government via civil disobedience with the demand to return the acquired land and terminate the SEZ. Neither of these opportunities was tapped, which seems quite odd given the vibrant history of rebellion in Telangana (which I will outline in Chapter 5). In attempting to understand the multi-tiered nature of peasant demobilization in Polepally, one should take seriously the following continuum charts (**Figures 3 and 4**). The deductions that lie ahead in these charts and in this chapter rely primarily on qualitative analysis that was rendered from my interviews, although I used quantitative data, as provided in my surveys of 65 individuals, quite extensively to support my conclusions. **Figures 3 and 4** are intended to be a firm

¹¹¹ Reddy, Ravinder. Interview 20 June 2009.

foundation to which the reader should refer while ingesting the more intricate pieces of my argument. In conjunction, they lead back to one basic premise which is that elite patrimonial actors have used populist linkages to co-opt different sects of the Polepally peasantry. To these particular sects (as represented in **Figure 3**), elite actors offered a series of “prizes” for cooperation in the passage of a massively unpopular land transformation, the SEZ. Flowing from left to right, **Figure 3** displays the qualities that would make a candidate more likely to be bought off or co-opted. Those who are further to the left and represented by darker orange are more likely, while those who are represented by the lighter orange boxes are less likely to be co-opted. **Figure 4** represents the other end of the land acquisition spectrum; just as certain individuals were rewarded, other individuals were chronically excluded from these linkages and actively “punished”. These specific prizes and punishments will be summarized later on in **Figure 6**. For now, I will begin by deconstructing the mechanism by which elite actors *intentionally created cleavages* in Polepally in order for certain parts of the village to become clients of the SEZ.



Figure 3: Continuum of those who are most likely to be co-opted by the SEZ actors.



Figure 4: Continuum of those who are most likely to be neglected by SEZ actors.

I. LAND ACQUISITION LEADS TO ATOMIZATION

Land acquisition creates new heights of atomization. As mentioned before, there was already a qualitative difference between the legal rights of *pattadors* and assignees. Again, 179 land losers were *pattadors*, whereas 160 assignees lost their lands. The local government produced no written documentation of the method used to calculate compensation value for their property. Assigned land was arbitrarily valued at Rs 18,000 (\$384.45), a little more than half of the patta land value, Rs 36,000 (\$768.90). This distinction was illegal, by GO (Government Order) 1307 (1992), which says that assignees are entitled to the minimum award amount granted to *pattadors*. It was clear that the assignees and *pattadors* were not equal in the eyes of the state. However, it is not until during and after acquisition that this divide is imprinted upon the collective psyche of the *people*. Following land acquisition assignees become a different breed of folk, as various interviews with *pattadors* indicate.

An interview with a Reddy displays this attitude: “Only the *assignees* did not use their money wisely. They took their money and enjoyed [as in wasted] it...The *pattadors* invested our money.”¹¹² This new hierarchy was further enforced with social penalties for those who tried to violate the boundaries (e.g. the five BC and OBC persons who initially rejected compensation as an act of protest, who were then punished by having their money withheld after they had become vulnerable). Another putative instance of such “castigation” is the mysterious death of Upender Reddy, who was one of the only Reddys who fought alongside the medium and small farmer activists. Although the cause of his death was unknown, many of the villagers suggest that he was murdered. Whether

¹¹²Anon. Interview, 11 July 2009.

this is myth or fiction, the story serves the same function as an official sanction against the BC members. Simultaneously, Upender's closest living relatives, all active supporters of the land acquisition, speak with contempt about Reddy's contribution to Polepally. An interview with his brother-in-law, whose father was one of the remaining landlords in Polepally, with over 50 acres in possession, revealed that all of his living relatives were active supporters of the land acquisition. "We did not support [Reddy's] activities. He was confused about many things".¹¹³

The divide between the Reddy community's condemnation and the *Dalits* community's praise of Upender essentially serves the function of telling upper caste folks, "This is what happens when you cross boundaries". Adding fuel to the conjecture about the significance of Upender's death, there have been more recent incidents of "strange occurrences" involving *Sarpanch* Balaswami Goud. Goud, a BC but obviously not a Reddy, was moving upward in the economic ladder as indicated by his motorcycle, Western-style clothes, running water and steady supply of dairy. He was, like Upender, a champion of the Polepally struggle. Although the Polepally people have their usual qualms with him—lack of responsiveness in welfare schemes, etc—he was certainly an outspoken member of the struggle for land, as he too was a victim. Peculiarly, in December 2008 he was physically attacked by a group of unidentified goons when returning to the village from an errand.

In my second week in Polepally, I interviewed two women who had defended their husbands from the police brutality upon their arrest for the illegal occupation of their land. One of the ladies, Janglimma, said something that struck me as very peculiar. "All of the Reddys in the village have stopped calling us for work [agricultural labor].

¹¹³ Anon. Interview, July 2009.

‘We don’t want work from activists’ they say. Every day we are stuck doing daily wage labor.”¹¹⁴ This seemed like a strange development. Although the medium to large landholders had not been as blatantly debilitated by acquisition, it seemed odd that they would have such hostility towards the small farmers who put their lives on the line to defend Polepally. The struggle had, after all, allowed *all* of the affected persons to gain certain concessions, however minimal they may be. It also seemed paradoxical that they would not employ these newly landless laborers; especially in lieu of the fact that they could now presumably bind their labor, given the precarious situation they were in. The most logical hypothesis was that the alienation of these members was a measure taken by higher caste persons to “scold” them or coerce them.

In understanding this atomization, one must understand fundamental facts about the nature of land acquisition. I asked 50 land losers— proportionately chosen from their respective caste communities according to how many were SEZ-affected from each community—how much land they owned prior to acquisition and how much they “lost to the SEZ”. My survey revealed striking evidence that one’s economic class (poor peasant, small peasant, medium peasant, and landlord) plays a direct role in determining if he/she will benefit from land acquisition.¹¹⁵

¹¹⁴ Anon. Interview. 12 July 2009.

¹¹⁵ Survey. Polepally Land Losers, 2009.



Figure 5: Average Amount of Total Land Lost to SEZ

Figure 5 shows that small and medium farmers (those with 10.8 acres on average or less) were far more likely to lose *proportionately more* land to the SEZ developers than were the medium to large landholders. Sampling 50 land losers, I arranged respondents from those with the most land to the least land in descending order. Each point on the graph represents the average ownership of 10 consecutive landowners. I found that those who owned 14-35 acres (or 19.95 acres on average) lost 64% of their land on average. All of those who owned eight acres or less lost at least 90% of their total estate. Most interestingly was the large leap from the 10.8 acre cohort to the 19.95 acre one, where the average amount of land lost went down by 31%. Since land is the primary source of wealth in Polepally this provides evidence that those individuals who were in the top income quintile were able to retain a significant amount of land after

acquisition, while medium and marginal farmers lost almost all of their estate. Not only did the largest landholders lose the least but they also profited by the dramatic increase in property value in the post-development period. This information explains why the largest landholders were in favor of acquisition, but it doesn't explain why the land was acquired in this fashion and why it would be in their interest to conspire against Polepally small farmers.

After talking to a series of people who had participated in the struggle, particularly widowed women whose husbands had died during or after the struggle, I learned that their patrons were not the only ones who had "scolded" dissenters. Some of the village *panchayat*, too, namely the ex-*Sarpanch*, Jangayya Gajja, age 38, had allegedly been bribed and instructed by the developers to pacify the activists. "What happened was" explained one farmer activist, Lingama, "the higher caste officials formed a committee to strike a deal with the developers. [The developers] would give the Reddy's some money as long as they kept us quiet...Since then, the *panchayat* has not sanctioned my entitled materials under Indirama Awas Yojana (state housing construction welfare program)"¹¹⁶.

Another woman explained to me that the Development Commissioner (DC) of the SEZ asked some of the village elders to provide him information as to who was "causing the trouble". Accordingly, Jangayya gave the DC a list of names, and "the next day all of [those on the list] were fired".¹¹⁷ When conducting interviews, six people explicitly told me they were fired because the DC didn't want "land losers" to cause trouble or that they were having trouble finding jobs because of their stigma as militants. At the same time,

¹¹⁶ Anon. Interview, 16 July 2009.

¹¹⁷ Anon. Interview, 20 July 2009.

the same alleged informant, Jangayya, is one of the two lucky candidates whose family was granted salaried employment in the SEZ.

Further, as shown in my section titled “Compensation for Assigned Lands”, a lot of the money to which the assignees were legally entitled disappeared. Almost all victims attributed this to the “middlemen crisis”, vaguely. I once asked, “Who *exactly* was responsible for this misappropriation?” One woman, Moglimma, identified the same *ex-Sarpanch*, Jangayya, and his cronies as the root of the disparity. “They tell the government officials that they will give the money to the people and then they eat it up.”¹¹⁸

Why would the APIIC sanction the money to these elite officials, instead of directly to the people? I later learned that the entire process of land acquisition from the beginning was slanted on the behalf of this select group of people. According to the Land Acquisition Act of 1894 (refer to Chapter 2), the correct procedure for granting a “consent award” involves one-on-one consultation with landowners. If the compensatory value is not sufficient, the landholder—save the assignee—is able to go to court. However, according to K. Balagopal, human rights lawyer, the government co-opted a group of clients, or “elders” to circumvent the cost and trouble of legal procedures¹¹⁹. Explaining a trend that he had observed over the course of the past ten years in the trajectory of land acquisition, Balagopal said, “The government takes advantage of these people and tells them ‘I will give you 50% more than what you would otherwise get (in the legal process). You take it and get everyone else [in the village] on board’”. In Polepally, “They gathered some of the elders of the TDP (Telugu Desam Party) and told

¹¹⁸ Anon. Interview, 23 July 2009.

¹¹⁹ Balagopal, Kandalla. Interview, 5 August 2009.

them there were some development projects: ‘You will get some work- some contracts to build a wall or a road- and you will receive 50% more for your land than what you would in the courts’”¹²⁰. Here, Balagopal is explaining the mechanism by which the legal system is bypassed and village elders are co-opted. In summary, the elders are promised that if they don’t challenge the acquisition of their property in court, the government will grant them a higher payment for their land along with promising employment in the construction of the industrial township. Perhaps equally importantly, through my interviews I learned from several SC farmers that these “elders”, specifically Mr. Gajje, were used to persuade the smaller and marginal farmers into selling their land, and spread misinformation about the nature of the “Green Park”¹²¹.

My first interaction with a higher caste member of Polepally was with a younger boy named Srinivas, son of a wealthy landlord. The juxtaposition to the greeting I received from other members of Polepally was alarming. He was not cold and jaded; he was overly optimistic and determined to prove to me his proficiency in the English language. He was wearing a Western-style polo shirt and was doused in musk, both atypical to the common Polepally male attire (a *dothi* with a cotton shirt). At this point, all of the villagers knew I was still trying to find a place where I could stay over the course of my research. Although none of the poorer families had the resources or the energy to put me up, I remember him insisting that I stay in his guest room on the third floor of his home. It was obvious this would be a conflict of interest with my research, but I decided to humor him anyway by taking a glance at his spare room and taking up his offer for tea (something that is offered to any entrant in the medium to wealthy homes

¹²⁰ Ibid.

¹²¹ Anon. Interview, 12 July 2009.

in the village). The room was very large and had a Western-style toilet. This shocked me even more, as not a single home I had been to had a toilet. Most of the farmers are left to defecate in the fields. This family was clearly well off. As we were leaving the home, one of the few poor farmers who had taken to me in that first week came running up to us from the main road of the village. He wore a concerned look on his face; although he greeted Srinivas respectfully he did not employ his usual jovial attitude. He took my translator aside and whispered something. I was summoned to leave. As we were walking away, the farmer, Narsima, explained to me that we should not associate with this man, as he was “unfriendly to the cause”.

It eventually became known to me that dozens of people in the village were covertly rallying the people in favor of the SEZ, most of whom belonged to the Reddy caste community. The Reddys, largely BC, dwell in the high lands of Polepally farther from the main road. They are geographically separated, and own un-acquired lands in or around Polepally. When I tried to talk to them, I was often turned away. I did, however, get to speak with them on unexpected, whimsical occasions. I recall a time I was traveling to the village, and I saw that there were several cars parked about 200 meters into the SEZ. As I was very curious to see what was going on, I informed the person who I was hitching a ride from to let me down in front of the SEZ. By the time I had reached the meeting had dissolved. I did, however, flag down Jangayya Gajja on his motorcycle (also a strong sign of wealth) as he was departing. It was surprising to me to see any of the villagers inside the SEZ because, in the past, the DC has actively kept them from entering (except those who work construction for one of the companies).

Jangayya was kind enough to respond to some of my inquiries. He told me proudly that he was meeting with the company officials to “get a job for one of the boys in Polepally”¹²². He said at least ten others had gained salaried employment in this fashion. As stated before, Mr. Gajja himself is one of the two candidates whose family was granted salaried employment in the SEZ units. My survey asked respondents if anyone in their family “was granted employment in one of the SEZ units and, if so, for how long”. According to Mr. Gajja’s responses, four of his family members are currently employed in Aurobindo Pharma LTD as salaried workers. The only other worker who reported salaried pay for their family was another man from the BC community, another Reddy. In fact, of the 65 villagers I interviewed (which includes the unaffected people), only 27 of them said they had one or more family members employed in the SEZ companies. All but the two aforementioned said these jobs were daily wage, which consist of construction, canteen work or toilet scrubbing, where they were paid, on average, Rs 100 (\$2) per day. The longest anyone had continual employment was 1.5 years. Many complained that they or their family members were fired after 6-12 months, depending on their level of involvement in anti-land grabbing activities. This provides strong weight to Janglima’s account regarding the higher castes’ conspiratorial role in removing the lower caste anti-SEZ actors from the companies. Further, there is evidence that the TDP was able to patronize several more of the elite Reddy farmers by guaranteeing them subcontracting positions¹²³. Similarly, in Mudureddypally, some of the Reddy families willingly surrendered their land¹²⁴.

¹²² Gajja, Jangayya. Interview, 19 July 2009.

¹²³ Bhushan, Bharath. Interview, 4 August 2009.

¹²⁴ Kumar, Jeevan. Interview, 6 August 2009.

All of the tactics used by middle and large peasants who dominate the gram *panchayat* such as bribery, spread of misinformation, false promise of employment, rescindment of employment and welfare items, and social castigation are [relatively] newly developed tools for demobilization. Sundarayya observed in 1985, that landlords had recently “changed their tactics of fighting the growing people’s movement”. No longer do they solely employ brutal terror and repression; but instead they

...adopt tactics of dividing the ranks of the people. They promise [grazing, communal and waste] land and actually give it to certain sections of the rural poor based on castes and communities....They incite certain sections against other sections who are already cultivating the land and are under the influence of *kisan* [peasant] or agricultural labor organizations of the Communist Party. They actively support toddy or *arrak* [liquor] contractors against ordinary toddy-tappers. They utilize the community projects, the cooperative societies, the loans for purchasing tractors, the electricity for wells, the fertilizers...They try to monopolize all the key administrative posts in the government departments. They resort to every foul means to dominate the village panchayat...and try to garner all the benefits... (Sundarayya 1985:123).

Although the above part of Sundarayya’s argument is correct, his partisan interest allows him to draw the conclusion that these practices have turned the middle and rich peasants to seek power in the Congress, even in areas where the Telangana “agrarian movement” has been strongest. In fact, Sundarayya’s analysis is incomplete in the sense that the Congress party is only *one* vehicle in which middle and rich peasants have garnered political clout. As stated earlier, all parties (including the pro-Telangana statehood TRS) were supportive of the Polepally SEZ, with the TDP taking an active role in the business of SEZ development. Furthermore, in the introduction of the SEZ a new level of clientelism is rendered necessary. Not only do government actors rely on large and

medium peasants for retaining the vote, but more importantly these peasant elites play an integral role in smoothing over dissent to these massively unpopular reforms. In exchange, elite peasants are rewarded with jobs, benefits, etc. I have summarized the dynamic of this relationship in **Figure 6**:

Punishment for Opposing Land Acquisition:	Rewards to Clients who Coerced Small Farmers to Sell Land:
-Holds on public welfare benefits	-Part or most of property remains in tact
-Registration bans	-Remaining property escalates in value due to speculation
-Insecure employment in SEZ	-Secure employment in SEZ
-Lower land compensation	-Higher land compensation
-Annulment of land compensation	-Political access
-Termination of employment by high caste landlords	-Social power over lower castes/newly landless

Figure 6: Sticks and Carrots used in Passing SEZ Reforms.

It is clear that clientelist measures have played a huge role in debilitating peasant movements. As will be seen in the following section, the state government of AP has mastered the pro-farmer dialogue. Both at the state and central level, officials say that the SEZ will generate millions of jobs and nothing less¹²⁵. Marginal farmers are falsely promised both short term and long-term reparations. Short term, quick injections of cash are common and prevalent enough to keep farmers pacified until the acquisition process is over. Long-term prosperity, on the other hand, is provided to only the elite few, usually being high caste, landed farmers. This causes atomization and a nightmarish alienation for the marginal lot.

II. NEO-LIBERAL REFORMS AND AGRARIAN POPULISM

¹²⁵ In 2007, Gopal Krishna, Commerce Secretary of the GoI, said that SEZs will create 3-4 million jobs by 2009. Source: Observer Research Foundation, 31 July 2007. <http://orfonline.org/cms/sites/orfonline/modules/report/ReportDetail.html?cmaid=9657&mmacmaid=9658>

In the 1990s the neo-liberalization of the economy, led by Rajiv Gandhi encouraged the withdrawal of a significant portion of public welfare programs and the degradation of remaining agrarian extension programs. Recent evidence from a report titled Public Distribution System and Other Sources of Household Consumption 2004-2005 (GoI, 2007), which presents data from the 61st Round of the National Sample Survey (NSS), establishes that the process of “targeting” which was designed in 1997 to make distribution more “foolproof” has led to higher rates of exclusion of needy households from the Public Distribution System (PDS) and a clear deterioration of coverage. At the all-India level about 70% of all poor families are unjustly excluded from the PDS. Further, according to an NSSO survey, only 6% of Indian farmers now rely on the extension agencies and even less (3%) on government agencies (NSSO 2009).

With neo-liberalization, NGOs were erected to mitigate the effects of globalization rather than change the systemic causes of poverty. Thus, more radical peasant movements, that tried to resurrect the unfulfilled promise of land reform, were paved over with “the NGOification of society” (Ray and Katzenstein 2005:4). India has since increasingly parroted the language of the World Bank, who admonishes Indian politicians like children. Instead of promoting rural economy, India should be encouraging mass migration to the cities without “worrying about the sizes of cities, metropolises, cities and towns” (World Development Report 2009: Reshaping Economic Geography). According to the 2009 report, state intervention to encourage and spread economic activity geographically should be abandoned. Instead, it is “far better for markets to pick the place [and] far better for government to push the pace,” says Indermit

S. Gill, director of the report. In 2008, Finance Minister Chidambaram of India stated that that in 20 years 85% of India will live in cities¹²⁶.

Villagers in India eat even less than the national average, the per capita expenditure on food in rural areas being just Rs 363 (\$7.75) per month¹²⁷, while those in urban India spend Rs 517 (\$11.04) per month. This may make the World Bank's pipedream appear somewhat viable. However, a more holistic look at agrarian India will show that urban poor are in an inherently more precarious position than are rural dwellers. A study by the Arjun Sengupta Committee showed that 77 per cent of Indians have a daily per capita expenditure of less than Rs 20 (or less than \$0.5). Although an overwhelming majority of the 23 percent of Indians who have a per capita expenditure above the national average live in cities, the urban poor eat, access health care, educate their children even less than their rural counterparts¹²⁸. The divide is exacerbated by the fact that a large number of urban poor live in slums, where people's illegality compromises their access to resources. Even the Planning Commission of India has admitted that slum dwellers face greater health hazards due to over-crowding, poor sanitation, lack of access to safe drinking water, and environmental pollution (Tenth Plan Document 2002-07). Life in slums, where the government can demolish one's home at any given time, is inherently less stable than that in the village, where true homelessness is an anomaly. This is especially true given the fact that longstanding communities often serve as a safety net in times of crisis.

¹²⁶ *Tehelka*, Vol 5, Issue 21. 31 May, 2008.

¹²⁷ The monthly average for all consumer expenditure per capita is Rs 695 per month in rural India and Rs 1,312 in urban India.

¹²⁸ Mishra, Neelabj. "Not One Naya Paisa". *Outlook Magazine*. November 2008.

It is clear to most Indian actors that the hyper pro-urbanization attitude is not only completely unviable in India but political suicide. Instead of adopting this Western rhetoric, the personalist political actors of India embody exactly what the World Bank dictates against: populist handouts. Populism in the ideological sense relates to a distinctly “pro-poor, pro-farmer” rhetoric and in the political sense focuses on the deinstitutionalization of power, or the direct paternalistic relationships between populist leaders and their clients (Roberts 1995:87). Some would say that populism has become the “leitmotif of the Indian government’s policies”¹²⁹. From the colonial period onwards, India consolidated power through populism and patron-client relationships. After independence, the INC most notoriously maintained their base for twenty years through the purchasing of the vote, the most lucrative form of rent. The Indira Gandhi government (1966-1977) was notorious for its poverty alleviation programs. More recently, the Union Government has been praised for its schemes such as forgiveness of crop loans and NREG. Indian populist parties have garnered power at *an unprecedented rate* due to politicians’ unusually high degree of control over the Central bank and ability to manipulate monetary policy to their own political ends (Chibber 1999:9).

At the same time, isn’t this archaic populist model incompatible with privatization and market reforms, as asserted by the dominant view? After all, neo-liberal reforms require the annihilation of public goods and the abolishment of the idea of land reform (Kurtz 2004). Instead of relying on inefficient and often corrupt state regulation of the economy and distribution of resources, free market reforms allow the invisible hand to dictate wealth. The SEZ is a perfect example of how geographically, socially and

¹²⁹ Acharya, Shankar. “Dump Populism, Let India Grow.” *Rediff India Abroad*. 28 December, 2005. <http://www.rediff.com/money/2005/dec/28guest1.htm>

economically devastating these reforms can be. However, a recent body of scholarly work has suggested that neo-liberalism and populism are not as irreconcilable as originally suggested. Unpopular market reforms have left a major void in democracy, where rural citizens feel perpetually unsatisfied. This provides a perfect space for new political actors to navigate power by “striking a chord with the citizenry”. Because new political actors are “not affiliated with traditional ruling parties” and display a constant devotion to breaking free “from the shackles of the past” they are able to win the hearts of the masses (Ayyangar 2006:2). Such a model of political behavior has come to be known as *neopopulism*. In other words, neopopulism can be described as the promotion of neo-liberal reforms without discarding populist strategies to maintain power. Graham (1995) has suggested that the two are not contradictory but in fact they complement each other because populism acts as a compensatory palliative for the adversities introduced by neo liberal reforms (ibid). Since neo-liberal reforms often rely on government intervention, especially in transitioning or mixed economies, populist actors are able to aid in the introduction of these reforms. For example, as explained in earlier chapters, the SEZ relies almost entirely on government intervention for its establishment. In exchange, political actors are able to obtain rents from neo-liberal regimes in the form of stocks or labor contracts.

Polepally has provided a blank canvass for the populist game to play out. According to local accounts, one of the first politicians to visit Polepally was Davender Goud, from the Praja Rajyam Party (PRP), a party which arrived on the Andhra political scene in 2008 as a champion for social justice, albeit widely contested among the SC Madiga community. Goud rallied the farmers, especially appealing to the SC Malla

community, against Yeduguri Sandinti Rajasekhara Reddy (commonly referred to as YSR), Chief Minister of AP and a strong advocate of the SEZ. At the same time, Peda Reddy, left hand man of Goud, was taking part in contracting work for the APIIC and helped lay the roads for the SEZ¹³⁰. Similarly, Laxshma Reddy from the notorious Telangana Rashtra Samithi (TRS), who has trumpeted Telangana statehood since its formation in 2004, condemned the SEZ-driven displacement. Behind the scenes, this same Member of Legislative Assembly (MLA) was leasing his house to the Aurobindo agent to the SEZ. The brotherhood between the two actors played out when Aurobindo proposed to withdraw from Polepally, surrendering its property to agitating farmers. Reddy, allegedly, cajoled the Aurobindo agent to resume its construction¹³¹. With the TDP's introduction of the Green Park, in no way was their affinity for the SEZ policy latent. Similarly, the fundamentalist BJP could not openly object to the SEZ, as they were the driving force behind the SEZ Act (2005).¹³²

Roberts explains how the Peruvian Fujimori regime was able to employ novel forms of populism during the 1990s economic collapse and the subsequent neo-liberal revolution which happened in a political vacuum after the collapse of the party system. Fujimori's personalistic demeanor, heterogeneous social constituency with widespread lower-class support, and the paternalistic relationship with constituents all have been alluded to in labeling Fujimori the "poster" populist politician. While he campaigned vehemently against the conservative Vargas Llosa's neo-liberal "shock" programs to revamp the economy, two weeks after his inauguration he began what was the first

¹³⁰ Bhushan, Bharath. Interview, 5 August 2009.

¹³¹ Ibid.

¹³² Ibid.

injection of an even more draconian neo-liberal package than that proposed by Llosa (Roberts 1995).

Interestingly, Ayyangar (2006) has rather perceptively compared the neo-populist nature of the Fujimori strategy to that of Chandrababu Naidu, the ex-Chief Minister of Andhra Pradesh (1995-2004). Ayyangar attests that Naidu is the perfect Indian counterpart to Fujimori (Ayyangar 2006). Aside from their obvious differences, each of these politicians has assumed a distinctly “pro-poor” allure while simultaneously fiercely advocating IT/industry/big business. Aside from these more obvious neopopulist traits, like Fujimori, Naidu came to power at a time when his state was going through an economic crisis. Fiscal deficit led to a predicament in which AP was not able to pay its state employees for months on end. Ayyangar argues that during this time of strife, each politician orchestrated their signature poverty alleviation schemes (FONCODES and Veluga) with the help of international actors. The IMF loaned funds to Fujimori primarily because they saw him as a “lesser evil”, since at least he was congenial to the neo-liberal agenda. Similarly, as stated by Sen and Frankel (2005), Naidu borrowed nearly \$2 billion from the World Bank and the Department for International Development, accounting for nearly one third of all assistance to India. A significant portion (\$111 million) of that loan went towards social spending to initiate the District Poverty Initiatives Project, ‘Velugu’ (quoted by Ayyangar 2006:9). Most interestingly, each of these poverty alleviation schemas has been one-sidedly manipulated for the actors to reach their own political ends (i.e. through adopting more populist means when nearing elections and more technocratic means in the off seasons), thereby detracting from valued benefits. One common feature of this model is that it does not rely on

efficiency, rather it has been on promoting a gimmicky populist rhetoric; the result has been inequitable and flawed distribution (Ayyangar 2006).

A more recent example of neopopulist politics in AP manifests itself in the political legacy of Chief Minister, Y.S. Rajasekhara Reddy (YSR). He took an array of eccentric steps to set himself apart from the “old” model of politics. Perhaps most notably, he devoted himself to a lengthy *padyatra*¹³³ in 2003 in preparation for the assembly elections the following year. Clad in a farmer’s clothes he trekked 1,476 km through all three regions (Telangana, coastal Andhra and Rayalaseema) of AP and metamorphosed into a highly popular figure. This bold gesture bolstered his image as a populist statesman in touch with his voters at the grass roots level. It also helped revive the Congress party’s power block, which had been “inoperative for ten years” (Srinivasulu 2009). In addition to this dimension of his populist methodology, he fit the mold elsewhere. Similar to Fujimori and Naidu, YSR consolidated power in a time of economic calamity (ibid.). Thus, despite the fact that he was the father of the highly unpopular AP SEZ, pushing the state to become India’s leader in the SEZ, he managed to mask his elite economic interests with a populist pro-farmer gumption. Accordingly, his support from the masses was an impressive and dramatic fanfare. His death last summer was allegedly followed by the widely-cited “60 suicides” of loyalists who “couldn’t withstand the loss” of their beloved YSR. At the time of his death he was portrayed as a “God”, a “Doctor on the Finger on the Public Pulse”, a “champion of social welfare reform”¹³⁴. In summation, the rampant populist overtones in the Andhra state have been

¹³³ A padayatra is a walking journey undertaken by a politician through usually rural parts of the country to interact more closely with and galvanize his supporters.

¹³⁴ *Obituary: YS Rajasekhara Reddy*. September 3rd, 2009. BBC.
http://news.bbc.co.uk/2/hi/south_asia/8235283.stm

detrimental to the advancement of the farmer cause. Personalistic elite actors have become experts at diverting the energy of collectivist movements into the maintenance of their own political popularity. It follows that in the national fight against land grabbing, the constant promises of a better future would confuse and delays farmers' ability to respond effectively to their demise. Neopopulism as it stands today poses a great challenge to the future of anti-SEZ and land-for-land farmer mobilization.

III. TANGENTIAL CAUSES FOR WEAK MOBILIZATION

A. NON-TRANSFERABILITY OF ELITE ACTIVISM

One of important cause for vulnerability of the anti-SEZ movement was that the farmers were never the decision makers. Just as democratic means are omitted from the SEZ, democracy was never an element of the anti-SEZ movement in Polepally. It was largely a top-down struggle. One activist stated proudly to an unnamed source that local politicians were asking her to run as a candidate in the *Dalit* elections. She practically became a celebrity overnight. In this nature, while the elite, educated activist orchestrates the action, the farmer is pushed to a new type of subalternization. They fit a very useful role; they can tell their stories when the media asks, which provides legitimacy to the movement. To make matters worse, after the media campaign failed, the activists left the site of confrontation, thus rendering a pervasive sense of defeat in the farmers, whose resistance was *defined* by the actions of outsiders. This one-sided nature of the “movement” prevented it from becoming something that was self-sustaining. When a group of women who were once highly involved in the campaign asked what they learned, they openly declared their ignorance. They attribute the mastery of the

movement to the aforementioned activist. “Without her, we are nothing”, one group of women cried to me.

This is not to say that the activists had any external motivations, besides maybe personal glorification. They abandoned their cozy lives in the cities, and were committed to the struggle to ultimately help the farmers; it was certainly not to make any money, as both activists were living very frugally and were forced to work menial jobs to support themselves during this period. Yet their pride seemed to stand in the way of achieving broader goals for the lot of the farmers. In sticking to two principles--refusing to exercise legal routes and total non-negotiation with local officials--they seemingly surpassed many opportunities to better the lives of the people. For example, there were several legal remedies available to the Polepally people, which the activists outright rejected. For example, since the land acquisition process was completely faulty, they could have contested the faulty compensation for assigned landholders under GO 1307. They could have also contested the extralegal consent award assessment. Finally, they could have worked with the government officials to help remedy what were complete bureaucratic failures. Many factors deciding whether a farmer is able to sustain oneself derive from toeing a tenuous line with officials, who may chose to either pocket a ration if in a bad mood or distribute it if in a good one. Instead, the Polepally elite activists cultivated a volatile relationship with officials, who in a totalizing opinion of the village of Polepally said they were “terrorized” by them¹³⁵.

B. LACK OF PERIPHERAL SOLIDARITY

Another major problem in the anti-land acquisition struggle was the deafening lack of solidarity between Polepally farmers and outside farmers. As Bhushan said,

¹³⁵ Reddy, Ravinder. Interview, 10 July 2009.

“there were too few farmers fighting in Polepally to even call it a movement”¹³⁶.

Peripheral villages that were also affected by the SEZ like Mudureddypally were not engaged in the struggle. Balagopal suggested that this would be one of the only ways to win an anti-SEZ battle: to convince the farmers from these villages that the SEZ, once fully developed, will be detrimental to everyone in the district¹³⁷. The pharmaceutical SEZ is, after all, a highly polluted site, with multiple chemical manufacturing factories exempt from environmental regulations, in a concentrated zone. Instant ground water transformation, chemical poisoning in humans and cattle sickness are indicators of this in the post-SEZ era.

Polepally and Mudureddypally seem to be situated in a strategic position for an anti-corporate development drive to develop, being so close to the major metropolis of Hyderabad, whose Metropolitan Corporation is actively trying to expand the city outwards. Even more relevantly, in 1981 Mahbubnagar was “scarred” by the Srisailem Project, where 65 villages of Kolapur, Wanaparthy, and Alampur *taluks* (or a collection of villages) were submerged. Over 100,000 people were forcibly uprooted from their homes without compensation (District Profile 2009). However, it is not just Polepally that has not “learned its lesson” from these seemingly instructive examples. Just 45 miles away sits the Shamshabad airport, another controversial example development-driven dispossession. Farmers were driven off 5,400 acres of land when the Hyderabad Ministry of Civil Aviation announced plans for the construction of the Rajiv Gandhi International airport. Originally, according to Kumar, the farmers’ qualms rested solely on the issue of

¹³⁶ Bhushan, Bharath. Interview. 5 August 2009.

¹³⁷ Balagopal, Kallada. Interview 3 August 2009.

compensation¹³⁸. Assignees were promised jobs in the airport, compensation and housing plots. The *pattadars* who were, again, from wealthier castes were content in selling their land. In 2002 the government had compensated the *pattadors* to the tune of several lakhs, while allegedly most of the assignment holders were left without any compensation. In the end, assignees assumed lives of abject poverty and were given only small 250-square yard “open plots” in what is now called the Shamshabad “airport colony”. These houses are subject to flooding, poor drinking water quality and encroachment by the government who is proposing to build a road through the colony. Forty-eight women are supporting the assignee families by picking seasonal flowers in the airport estate; their wage is a meager Rs 80 (\$1.60) per day¹³⁹. The following farmer narrative enforces the need to address the divisive nature of land acquisition:

When we protested in 2002, the big Reddy pattadars also joined hands, since the talk was about better compensation. But when that happened and they got their share, they withdrew from the movement. Most of us who had assigned lands come from poorer backgrounds. We staged several protests between 2002 and 2004. We submitted the affidavit in 2005. But we have no energy or resources to continue fighting as we also need to work for our survival. When we see the terminal and the runway we are filled with remorse, and sometimes anger.... Our children have not even been provided jobs in the airport as a matter of right.¹⁴⁰

This poignant observation is evidence that the high caste Reddys in Shamshabad were not bought off in the beginning as the Mudrajs were in Polepally, but they were co-opted midway. What the government conceded was not to the masses, but rather, to a select

¹³⁸ Kumar, Jeevan. Interview, 5 August 2009.

¹³⁹ Ibid.

¹⁴⁰ Maheshwari, Uma. “Small farmers whose lands were acquired for the Rajiv Gandhi International Airport face an uncertain future.” *India’s National Magazine*. Volume 27 – Issue 02. Jan. 16-29, 2010

few. Further, it shows that village members who may be “holding hands” during a *dharna*¹⁴¹ may even have polarized interests, which, as shown in the Shamshabad struggle, could later be cause for conflict¹⁴². In other words, the lack of solidarity in anti-SEZ peasant movements is flagrant and real, even when the media might portray an action as being supported by multiple facets of a community. It is exceedingly important to investigate where exactly money is being transferred underneath the surface.

C. THE REDDY RAJ

Why did the Reddys become ideal clients of neo-liberal actors? This can be attributed to two main historical phenomena: the articulation of the Reddys in the Telangana movement and the creation of Reddy patrons by the Congress Party to consolidate their voter base. Of course, the Reddy syndrome has taken shape of not just Reddys but also other lone BCs like Jangayya Gajje. However, the general trend is easily observable: caste elites have been wildly successful at securing power through the aforementioned strategy of neopopulism.

CHAPTER 5: ORIGINS OF TELANGANA SOCIAL HIERARCHY

In the colonial era, the region that now comprises the state of Andhra Pradesh was made up of two parts. One was directly ruled by the British Governor General, including coastal Andhra and Rayalaseema, and the other by the *Nizam* of Hyderabad which

¹⁴¹ Recall, a *dharna* is a sit-down strike.

¹⁴² On the other hand, Shamshabad, though mirroring the dire fragmentation of Polepally, *does* shed a ray of hope for another marginalized group of agricultural workers- squatters- or those who have settled on the unoccupied land without titles. According to activists, under Indian law, squatters have no legal rights, even if they have created a livelihood out of the land. It doesn't matter how many years they have been there; the farmers in Shamshabad have refused to succumb to this. An association of squatters who were displaced during the acquisition were able to conduct a militant struggle and force the government to compensate them. This, according to one Hyderabad attorney, has set a legal precedent for squatters all over India. Importantly, those who were revolting were folks who government officials had no obligation to, squatters and landless tillers. They were not originally targeted by government propaganda and populist nature of land acquisition. As the hand did not feed them, they were not tempted not to bite it.

comprised of eight Telugu-speaking Telangana districts, three Kannada, and five Marathi-speaking districts (Srinivasulu 2002). It is arguable, in several regards, that the areas governed by princely rulers such as Hyderabad were plagued by even more polarizing policies than those implemented directly under British dominion. Though the *Nizam* was legally autonomous, his official title of “Faithful Ally” bequeathed to him by British royalty hints at his dominant position as a client. The British Governor General appointed bureaucrats to take up residency in the Princely States to keep order. At the same time, the British-imposed industrial reforms such as the introduction of canal irrigation never saw the light of day in some of the princely territories. Telangana, for one, remained dry and technologically primitive.

It has been estimated by scholars such as Barry Pavier that during the depression of the 1930’s indebtedness of small and tenant peasants to moneylenders and landlords increased by 89 percent (cited by Balagopal 1983). Although many scholars blame market exposure and inability to pay the revenue demand for this lopsided impoverishment (see Dhanagare 1982), others such as Balagopal (1983) claim that the market analysis has been hyperbolized by Trotskyites who ignore important existing social dynamics. The unprecedented land alienation that took place in Telangana during the 1930’s and, again, during the Second World War with peasant debt soaring by as much as 120 percent, must not be forgotten to advance crude, market-oriented explanations for land inequalities. This was undoubtedly due to the system established by the British (Thirumali 1991:477) which caused local *Deshmukhs* (once local chiefs) to grab large tracts of land and extract rents at their own will (Balagopal 1983: Sundaryya 1973).

The *Deshmukhs*, who were promoted to the status of revenue collectors and given pension by the government, were grabbing land as early as the 1870s until the 1940's when the feudal system was "abolished". International market-driven economic crisis definitely magnified this phenomenon by further crippling the peasants' ability to pay taxes, ceremonial duties, and landlord-imposed fines, but "to treat it as the genesis [of the problem] is misleading" (Balagopal 1983:711). Although some seek to impose a parallel between forcible land grabbing and the increase of cash crops such as castor oil and groundnuts as a measure of accruing quick, effortless wealth, it seems the *Deshmukhs* more so indiscriminately grabbed land regardless of cultivability as a part of the strategic maintenance of feudal relations. They grabbed all of the following: 1. cultivable land to extract rent; 2. forest and bush land to extract grazing rent (*pullari* in Telugu); and 3. marginally cultivable land to prevent the landless from acquiring land—"a prerequisite for feudal social domination" (ibid). According to anthropologist, Heimendorff, in Adilabad, landlords who accumulated thousands of acres of land kept nearly 70% of it uncultivated (ibid). Thus, from the 19th century onwards, the *Nizam* had perpetuated an extremely austere and hierarchical landlord-tiller relationship, sustained not only by capitalist extraction, but also more infamously by bonded labor. As one may recall from the previous section on Mahbubnagar, bonded labor is particularly integrated into the fabric of Mahbubnagar, the district in which Polepally sits. The form of bonded labor common to this region, *vetti*, is a relationship even more austere than *corvee* in the European feudalistic fashion, where peasants had to slave over the landlords' fields. Under *vetti*, this was the bare minimum that a *Dalit* had to do. In fact *Dalits* were forced into carrying out all of the daily work of patron landlords and materializing any products

or gifts (e.g. cattle, grains, leather products, jewelry, agricultural instruments such as bullock carts, etc.) upon the demand of the landlord (Sundarayya 1973:10). To give a few examples, some backward castes such as *boyalu*, *bestalu*, and *chakali* were forced to transport the families of landlords long distances on their shoulders to attend festivals or visit relatives, while others were forced to run alongside the special carrier (*pallakis* or *menas*) as a path-clearer or escort, young girls were kept as slaves in the homes of the landlords' families and then gifted to the landlords' daughter in-laws upon marriage, and toddy tappers were required to keep five to ten toddy trees for the landlords and bring toddy to the homes every day (ibid). This polarized system degraded not only the lives of landless *Dalits* and small peasants but middle peasants as well. The *Deshmukhs* presided over legal system so that any resolution over a dispute was in favor of the landlord¹⁴³. Overall, there is no doubt that during colonial rule, these relationships became strengthened as they did elsewhere in India (Thirumali 1991:477).

I. TELANGANA ARMED STRUGGLE

The inequality that this system bred, both locally and inter-regionally, created a breeding ground for Maoist insurgent activity in the early 20th century. The Andhra Maha Sabha (AMS) was formed, which is the cultural organization that has spearheaded the Telangana peasant struggle. Formed in 1928, it was originally dominated by the Congress Party's moderation, but by the 1930s it came under the control of communists who saw the INC's efforts as dominated by "bourgeoisie compromising theories of bringing a certain amount of mass pressure to get certain concessions- without allowing

¹⁴³ For a more extensive description of the *vetti* system see the book of Telangana fighter P. Sundarayya, *Telangana People's Struggle and its Lessons* (1973) or the abridged version in the Social Scientist "Telangana People's Armed Struggle 1946-1951" p. 9-13 (2006).

the anger and surge of the masses to go beyond its control to revolutionary channels” (Sundarayya 1973:18). Although the Gandhian freedom struggle was transpiring in British territories, it failed in princely states for two reasons: 1. The INC adopted a principle of “non-interference” in these princely states and 2. They largely abandoned the agrarian issue that was felt so strongly by all agrarian workers in Telangana. In fact, the nationalist leaders worked in alliance with landlords and “would not think of rousing the peasant for agrarian revolution” (Ranadive 1984:1). Many, along with Sundarayya, opine that Gandhi’s exclusivity was detrimental to the lower ranks of agrarian hierarchy. Namboodiripad states, “[Gandhi’s] scrupulous adherence to non-violence has served to restrain the mass of the workers and peasants”. The “passiveness” of the peasant could be attributed to the “coincidence” of Gandhian non-violence and the “brahminical interest”¹⁴⁴. More incisively, though, Gandhi believed that pocketed rebellions grounded in an issue *uncommon all classes*, specifically the landed class, would threaten the likelihood of *Hind Swaraj*. To maintain control, he and Congress cut their remaining ties with anti-landlord movements and peasants who pined for radical change (Jani and Sreenivas 1999:22). Gandhi threatened to call off the Non-Cooperation movement when villagers killed policemen and made moves to violently overthrow their landlords. Land reform and agrarian wage reform were issues put on hiatus by Congress and Gandhi’s politics.

Overall, Gandhi’s belief that in order to shake the yoke of feudalism, one had to first shake the yoke of imperialism fell short of the needs of those who 1. Saw revolutionary uprising to be the best course of action and 2. Felt their oppression most acutely in the landlord-tiller relationship and directed their anger towards princely rulers,

¹⁴⁴ Namboodiripad 1988:353. In Sources of Indian Tradition Vol 2. Edited by Stephen Hay.

rather than British overlords. Nonetheless, many rural youth in Hyderabad and other princely states crossed into British territory and participated in the nationalist movement in 1930-32. Many were arrested for their involvement in the Salt Satyagraha and acts of civil disobedience and were subsequently released and radicalized. They carried a revolutionary fervor back to their home states. These individuals saw that the movement was insufficient in changing the status of agrarian laborers in the British-governed states, where “even boycotts of land revenue, apparently dangerous as a strike against the leading guise source of provincial finance could be countered, usually effectively by threats of confiscation of defaulters’ holdings” (Charlesworth 1980:259). Thus, they engaged a radical turnaround in the AMS and thrust the most imminent peasant concerns into the public arena- abolition of *vetti*, protection to tenants and the demands of ‘land-to-the tiller’ (Sundarayya 1973). The extent of their radicalism was seen in the police response, with 4,000 Communist cadres and fighters thrown in detention camps for periods of 3-4 years, 50,000 people violently brutalized for days on end in police camps, tens of thousands of people in “thousands of villages” subject to police and military raids, millions of rupees worth of property damaged by interrogators, and thousands of women were molested. “The entire region was subjected to a brutal police and military terror rule, for five full years, initially by the *Nizam* and the *Razakars*...and subsequently by the armed forces of the Union Government and the State Government of Hyderabad” (Ranadive 1984:5). As widespread as it was, as in any other movement, the central thesis of the subaltern scholars must be addressed; history is rarely constructed from below. Elite depictions have tended to be just as polarized as the landlord-tiller relationship- either the movement was “heroic, revolutionary, inspirational” or “sectarian, dogmatic,

or individual terrorism” (Sundarayya 1973:5). In order for there to be an academic space for social movements, the lazily constructed continuum of “heroism vs. cowardice” and “winners v. losers” must be rejected in its current form. A materialist analysis must be used to understand the “anti-*Nizam*” and “anti-feudal” peasant struggles led by the Communists and the response calculated by the ruling Congress Party causing an uneven political articulation among the peasantry.

The Telangana struggle has been described by many, especially the revolutionaries, as driven by the “peasantry”. For instance,

“During the course of the struggle, the peasantry in about 3,000 villages, covering roughly a population of 3 million in an area of about 16,000 square miles (mostly in the three districts of Nalgonda, Warangal and Khammam) had succeeded in setting up gram raj on the basis of fighting village panchayats. In these villages the hated landlords- the pillars of the Nizam’s autocracy in the rural areas- were driven away from their fortress-like houses (gadis) and their lands were seized by the peasantry. One million acres of land were redistributed among the peasantry under the guidance of the people’s committees” (ibid).

I quote P. Sundarayya at length, as he is considered the foremost leader of the Telangana armed struggle, and his voice serves as an “authentic” bearer of history. He refers to the peasantry thrice in the three lines above, yet not once does he delineate any qualities of these peasants that would help the audience understand to which agricultural group (i.e. see Mao’s classification) he refers. The only intimation he gives us is their geographical location (Nalgonda, Warangal and Khammam) and that they are, quite obviously, not landlords. It is understandable why he writes in this essentialist manner; he was making a political statement to unite his followers. Some defenders of the text might claim that it was necessary to write like this in order to debunk the image of the

peasant struggle as “individualized, sporadic”, to create a discursive space for Telangana to be taken seriously as an organized group of individuals mobilizing for their rights. But is this not the same type of essentialism that he detested in Gandhi’s mobilization? Other scholars who seek to redeem the legacy of communists in the struggle for independence also hail these revolutionaries for being the only group to address peasant grievances. He quotes the Manifesto of the Communist Party to the Ahmedabad session of the National Congress (1921), which berates the Congress for ignoring the *Kisan Sabha* (or peasant union). Communists yielded a “scientific understanding” of peasant movements because they addressed the peasant- landlord conflict (Ranadive 1984:7). True, they may have appeared to be pro-tiller in their rhetoric, which shows in their successful mobilization in Telangana. However, academics and activists alike must ask for *whom* was the struggle effective or ineffective and why, and, more essentially, which groups were participating in decision-making. Was it truly a bottom up Marxist uprising, as characterized by Sundarayya and Ranadive, and if so why did certain groups of the oppressed peasantry consistently dominate through the end of the struggle into the Nehruvian age?

II. FORMATIONS OF ELITE PEASANT CLEAVAGES

It is true that the Telangana movement was intersectional in its mobilization: peasant, artisan, service and laboring *Dalit* castes were broadly mobilized to fill the struggle’s militant ranks. This is not to detract agency from *Dalits* or to suggest that they were “acted upon”. Rather, it is to understand that it was a particular section of the peasantry, the middle peasant, who dominated the leadership positions in the *dalam*s (armed squads) and *panchayats* (Srinivasulu 2002:6). This strategy drew on the second instruction of Mao’s 1947 command to all cadres in the Chinese Revolution, “Firmly

unite with the middle peasants; do not attack their interests” (Huang 1975:271).

Unfortunately, Mao’s first instruction, “Satisfy the demands of the poor peasants and the agricultural workers; this is the basic task of the land reform” was largely dismissed.

Thus, in the transformation to the Communist-backed AMS, four of the six original leaders were Reddys: Ravi Narayan Reddy, Baddam Yella Reddy, A. Lakshmi Reddy and Kodanda Rami Reddy (Sundarayya 1973:18). As the struggle grew into a mass movement, *panch* committees were formed to deal with the redistribution of the land of the Brahmin-Karanam, Reddy and Velama *doras* (Srinivasulu 2002:6). The homogenous caste composition of the *panch*, largely Kapu-Reddy, allowed for the land redistribution to become a function of caste power; fertile lands of *doras* were distributed among the Kapu-Reddy *ryots* and tenants, whereas only common pastures and waste lands became the lot of the landless *Dalits* and other lower castes (ibid). Therefore, the agrarian struggles in coastal Andhra and Telangana contributed to the emergence of a peasant stratagem belonging predominantly to the Kamma and Reddy castes, respectively. In Reddy’s study, he maps the power in the village, M. Reddy Pally, where by 1971 the Kapu-Reddy stronghold still persisted. At this point, all households belonging to the Kapu and Reddy castes are landowners, while only a few from the Chakali (washerman) caste own land. Meanwhile, no member of the Mangali (barber) has ownership of land, and the wild majority of the Scheduled Caste families compared to other castes are landless (Reddi 1990:326).

Srinivasulu’s account also alludes to the fact that there was a limited degree of political leadership among landless laborers. For example, since the *Nizam*’s despotic government was not allowed in the villages during the movement and the *deshmukhs* had

fled for their lives, elected administrative units called *Gram Raj* committees were established by the revolutionaries (Sundaryya 1973:49). Agricultural workers inflicted pressure upon the newly established rich peasants for wage increases through strikes and demonstrations and by protesting to the *Gram Raj* (Sundaryya 1973:50). The stark question remains: why were the landless laborers so neglected to feel the need to wage their own “movement within the movement”? The fact, inadvertently conceded by Sundarayya, was that the elite Kapu-Reddys fiercely resisted wage increases even after the “tremendous gains they got from the *united struggle* against the Government and *zamindars*” (emphasis added) (ibid). Thus, no matter the degree of “equality and mutual respect” exercised in the guerrilla squads, the revolutionaries did not break the peasant class hierarchy.

III. STATE VIOLENCE AND PEASANT MOVEMENTS

President Nehru tried desperately to ignore the violent agitations that occurred in the early 1950s as a result of lingering colonial policies and unequal development. The ‘Vishalandhra’ movement, which was separate from the Telangana armed struggle, was transpiring at a rapid pace. Potti Sriramulu, who was an advocate for the Telugus in the Madras Presidency area, championed this struggle, demanding a separate Andhra with Madras as the capital. When Nehru refused to acknowledge his plea, in fact he was “totally unmoved by [the movement] and propos[ed] to ignore it completely”, Sriramulu declared a “fast unto death” and died after 58 days without food (Guha 2007:196-97). “The news of the passing away of Sriramulu engulfed entire Andhra in chaos’ Government offices were attacked, and trains were stopped and defaced...” (ibid). Nehru vehemently opposed these movements, but was forced to concede to Andhra. Again

upsetting the people of Telangana, there was a proposed Gentleman's Agreement, which would merge Telangana with the broader state of Andhra. The Chief Minister of Hyderabad State, Burgula Ramakrishna Rao, wrote to the President of the INC a few months prior to the decision:

There is, no doubt, considerable agitation in Telangana on this important question. When I say considerable, it is of course nothing of the type we come across in Bombay. The agitation...is spread over the whole province and not restricted only to cities. My estimate of the views of the people of Telangana is that the people by majority would desire Telangana to remain a separate state.... There is a strong section of the people holding the other view, that is in favour of Vishalandhra, but the majority is decidedly in favour of retaining Telangana as a separate province as recommended by the SRC.... They are afraid there would be an immediate exploitation in land and even in trade, small and big. They have got many instances where Telugus from Andhra do not hesitate to exploit the Telugus from Telangana economically when they get an opportunity to do so. This is by far their biggest fear (Rao 1956).

Nonetheless, the Nehruvian government's agenda was impervious. It began its ruthless reign of terror on the Maoists. Nehru's lack of sympathy towards the separatists was obvious, but it was unclear as to what limits the regime would go to crush the movement. His police cadres molested, raped, and beat women who were participating in the land movement on a large scale. Their husbands and brothers were arrested, tortured and killed, with the women often left to take care of the house after the disappearances of their family members (Sundarayya 1973:261). The new president was determined to set a precedence of accelerated development. He was willing to go to any limit including state-sponsored terror, particularly to send a message to those who threatened centralized power.

The underlying development motive was seen in the government's tempestuous obliteration of the Bombay-based Samukta Maharashtra movement, alluded to in Rao's

above note, through blackmail, over 400 arrests, and indiscriminate police brutality. Fifteen thousand policemen were dispatched, leaving a dozen protestors dead in the aftermath (Guha 2007:204-205). Nehru's States Reorganization Commission (SRC), appointed to deal with the separation of states, orchestrated the blackmail action *on behalf of the bourgeoisie industrialists*, who sought to keep Bombay apart from the rest of the hinterland Maharashtra. The state envisioned Bombay a "miniature India run on international standards" (ibid). In all of the instances where subalterns were either violently or non-violently organizing for economic liberation, the INC responded with an iron fist. Singing the language of "Indian unity", Congress appealed to the nation's psychological memory of the freedom struggle by equating economic separatist movements to "Balkanization" (ibid). It shocked many to see Nehru so eager to squash these movements in a sweeping blow, when he was so recently fighting on behalf of the same subaltern lot. In the end there was the creation of several states, Andhra Pradesh being the first, but that did not end the tradition of state-induced civilian warfare. The use of paramilitary force in areas declared ripe for the capitalists' picking has been continued into the era of the SEZ. The unequal development scenario has caused a tidal wave of Maoist insurgency, with Singur and Nandigram being the harbingers but not the whole of Naxalite¹⁴⁵-driven anti-SEZ peasant rebellion.

IV. NAXALITES AND THE STATE

Since the Telangana armed struggle, the Maoists have diversified and strengthened their base; they are not confined to localized pockets in India. Over 195

¹⁴⁵ The origin of the Naxalites can be traced to the 1967 split of the Communist Party of India (Marxist), leading to formation of Communist Party of India (Marxist-Leninist). The radical communist uprising originated in West Bengal, but has spread via underground groups into the rural parts of central and eastern India. Chattisgarh, Orissa and Andhra Pradesh, along with 15 other states, are all considered "Naxalite-affected".

districts can be considered Naxalite-affected today, with the government being inefficient in countering their attacks. Just recently, the Naxalites “massacre” of 76 Central Reserve Police Force members was a testament to this. It cannot be ignored that Naxalites have seized control and power the most rapidly in areas where *Dalits* and tribals have seen their resource bases deteriorate the most rapidly.

While the Naxalites commit heinous acts of terror, there is evidence that they are addressing the needs of the people far more stringently than the government. Whereas government promises for drought alleviation and welfare programs seem fictitious in their capacity to reach the bottom, Naxalites have achieved tangible results for people. For example, in one region where adivassis were growing and selling the tuber leaf, an essential component of tobacco, for next-to-nothing wages the revolutionaries boycotted the leaf. Thus raising the market value and achieving *tangible results*. When people in a Naxalite-controlled territory were questioned, 40% said they would rather be subject to Naxalite rule than the state government. Another 30% said they’d prefer the state government but only without the SEZ. Thus, *these 30% of folks would rather be ruled by the Naxalites than live within the bounds of a SEZ*, which is anarchic as it bars local rule¹⁴⁶. Some scholars have pointed to the conspicuous timing of the unprecedented strengthening of the Naxalite base and the passage of the SEZ Act¹⁴⁷. In September 2004, just months before the passage of the SEZ Act, well into the period of land acquisition for Industrial Parks, the PWG and the MCC (the two dominant Maoist groups in India) merged to form a “dangerous” alliance. They ended the peace talks hyped up by

¹⁴⁶ Mahapatra, Sangeeta. Lecture: Rise of Red Terror: The Ethics and Effectiveness of Maoist Violence in India. April 30th, 2010

¹⁴⁷ Ibid.

the Congress party after the discovery of covert government-backed “combing” or search operations in Maoist territory¹⁴⁸.

The main problem in assessing Maoist extremism mainly stems from the profuse range of “solutions” that are all rooted in a distinctly British tactic of winning popular support by increasing state-backed retribution¹⁴⁹. Maoists are considered, above all, a threat to national development. At the same time, the correlation between disarticulated economic growth and terror is scarcely recognized by policy makers to create and exacerbate the Naxalite problem. Instead, they encourage this model of development as an imputative tool. At the same time, they employ shrewd and egregious use of state apparatus to control and subdue the peasant response.

As we saw before, Telangana, Andhra Pradesh was the first site of armed Communist struggle in India. Although the mid nineties saw an array of armed radical Communist *Dalams* flourishing in the forested areas of Bihar, Jharkhand, West Bengal, Orissa, Chathisgarh, Madhya Pradesh, Maharashtra and Andhra Pradesh, AP has been cited as one of the “most Naxal-affected states” in the Red corridor. Andhra Pradesh bred the proper leaders to unify the armed groups, formulate common dogma and policies, coordinate intelligence gathering by over ground informants and sympathizers, start centralized armed training of core cadres, build a strong arms and explosives procurement network, and develop guerilla tactics with overwhelming local superiority¹⁵⁰.

¹⁴⁸ Farooq, Omer. *Why Peace Collapsed in Andhra Pradesh*. BBC, 2005.
http://news.bbc.co.uk/2/hi/south_asia/4183997.stm

¹⁴⁹ Indian counter-insurgency tactics and strategy, Vijendra Singh Jafa notes, “have remained fundamentally conservative and traditional, influenced substantially by accounts of British experiences.”

¹⁵⁰ Achuthan, Col JK. Strategic Defense Review. Issue: Vol 25.2 Apr-Jun 2010.

It is ironic that AP is now being praised for its “successful” anti-Naxalite measures, namely rooted in the Operation Grey Hound program. The Greyhounds have used a mix of hyper-technical intelligence and an extensive network of internal spies to seek out and kill Naxal leaders and their families. Again, the link between neo-liberal reforms and state sponsored terror is evident in the strategy of Operation Grey Hound, with explicit reference to using accelerated development as a means to pressurize the Naxalite forces. In this framework, anyone who objects to power is brutally exterminated. There are many problems with this program; it subjects the whole of the anti-displacement, anti-development, or anti-terror lot to extralegal ramifications. Anyone who is objecting to the development program, in so far as it is an obstruction of his or her livelihood, becomes a Naxalite. This is displayed in the recommendations of the judges of The Independent People’s Tribunal, who coalesced to hear the voices of those affected by the programs of Operation Green Hunt, the Indian media’s name for its anti-Naxalite paramilitary offensive. “There is a perception”, said Justice (Retd.) Sawant, “within the Government and media that by organising meetings like the IPT, we, everyone present in this room are supporting the Maoists and the death of the 76 CRPF jawans (officers). Let me clarify this position for once and for all: We are not supporting the Maoists. We do not support violence in any form, State or otherwise. We here are discussing problems of the tribals and the crisis that is pushing people to a brink of desperation and escalating the cycle of violence.” This position makes it clear that on the ground, there is a qualitative difference in the support of Naxalites and the opposition of the state-backed development programs that are displacing thousands from their lands. Thus, in the discipline of political science there too should be this qualitative difference.

Scholars should oppose the situations that lead to widespread Naxalite support in the villages, rather than the mob mentality adopted by the Indian state. Again, Mahapatra's statistics yield direct evidence that "accelerating growth" through SEZ, as suggested by the AP government, will not democratically address the root of why the Naxals have been able to gain power at lightening speed in AP and elsewhere. Many citizens would rather be ruled by Naxals than be subject to the impoverishing conditions of the SEZ.

V. BIRTH OF AGRARIAN POPULISM

Returning to 1947, Nehru's example has been instructive to Indian politicians of all ranks. Nehru tried desperately to cloak the gravity of the growing civil strife and disaccord, with his populist measures. In reference to his "dazzling address to India" on the eve of independence, Chatterjee best described this trend when he said that the discourse of India's development became "a single, consistent unambiguous voice" (quoted by Sugata Bose in Cooper and Packard 1997:50). Nehru's traditional populist model of the kind associated with statist politicians and import substitution (ISI) economics, was used to manipulate mass opinion. Part of this encompassing vision, as one might have predicted, land reform. Again, land reform has lost total value as a blanket term; rather it must be ranked according to the level of materialist gain it affords the peasantry. Nehru was clearly not advocating the more radical "land-to-tiller" reforms of the kind the Telangana activists were fighting for. He did, however, institute sweeping tenancy reforms. The relevance of these reforms to this study cannot be underestimated; it was the intended beneficiaries of Nehruvian populism that have continued to dominate AP's political landscape today. Needless to say the landless laborers, who were by and large *Dalit* and other backwards castes, were not included in Nehru's intended to be

beneficiaries of Nehru's program. Rather, the tenants belonged specifically to the Reddy, Kamma and Kappu peasant castes. In effect, this policy invoked a certain "homogenization" of agrarian propertied classes by filling the gaping hole between landlords and tenants. The medium proprietary group was created. This allowed for the Congress to avoid sacrificing power to marginalized folks; instead it built the party machine by consolidating its image as "progressive" and "socialistic". More incisively, it solidified the foundation for a core base of rural elites who would later come to dominate the Congress Party's vote bank. In summation, it was solely the newly empowered peasantry of the Reddy, Kamma and the Kapu castes that benefited from the above tenancy reforms (Srinivasulu 2002:6).

Subsequent to the reforms, all of these dominant castes started vying for power. The Reddys found themselves in a fierce competition for leadership positions in the Congress Party against the Brahmins, who were in dominant positions both in the party as well as government in the early 1950s. But by the mid 1950s the Reddys had succeeded in seizing the reigns of the Congress Party from the latter and have continued to wield power in the party in AP. Not surprisingly the Reddy stronghold has led critics to caricature the Congress as the "Reddy Raj"¹⁵¹. The below tables are highly indicative of this trend. They classify the power distribution in AP by caste, showing that the wide majority of Chief Ministers have been of the Reddy caste since the 1950s.

S.No.	Name	Party	Tenure	Caste
1	N. Sanjeeva Reddy	Congress (I)	01-11-1956 – 10-01-1960	Reddy
2	D. Sanjeevaiah	Congress (I)	11-01-1960 – 11-03-1962	Dalit-Mala
3	N. Sanjeeva Reddy	Congress (I)	12-03-1962 – 28-02-1964	Reddy
4	K. Brahmananda Reddy	Congress (I)	29-02-1964 – 29-09-1971	Reddy

¹⁵¹ Gundimeda, Sambaiah. *Praja Rajyam Party and Caste Politics in Andhra Pradesh*. May 29th, 2009. <http://socialjusticeanddemocratization.wordpress.com/>

5	P.V. Narasimha Rao	Congress (I)	30-09-1971 – 18-01-1973	Brahmin
	President's Rule		18-07-1973 – 10-12-1973	
6	J. Vengala Rao	Congress (I)	11-12-1973 – 05-03-1978	Velama
7	M. Chenna Reddy	Congress (I)	06-03-1978 – 10-10-1980	Reddy
8	T. Anjaiah	Congress (I)	11-10-1980 – 24-02-1982	BC
9	B. Venktram Reddy	Congress (I)	24-02-1982 – 20-09-1982	Reddy
10	K. Vijay Bhaskar Reddy	Congress (I)	20-09-1982 – 08-01-1983	Reddy
11	N. T. Rama Rao	TDP	09-01-1983 – 16-08-1984	Kamma
12	N. Bhaskararao	TDP	16-08-1984 – 15-09-1984	Kamma
13	N. T. Rama Rao	TDP	16-09-1984 – 02-12-1989	Kamma
14	M. Chenna Reddy	Congress (I)	03-12-1989 – 17-12-1990	Reddy
15	N. Janardhan Reddy	Congress (I)	17-12-1990 – 08-10-1992	Reddy
16	K. Vijay Bhaskar Reddy	Congress (I)	09-10-1992 – 12-12-1994	Reddy
17	N. T. Rama Rao	TDP	12-12-1994 – 31-08-1995	Kamma
18	N. Chandra Babu Naidu	TDP	01-09-1995 – 11-10-1999	Kamma
19	N. Chandra Babu Naidu	TDP	11-10-1999 – 14-05-2004	Kamma
20	Y.S. Raja Sekhara Reddy	Congress	14-05-2004 —2009	Reddy

Figure 7: Caste Backgrounds of Chief Ministers of Andhra Pradesh¹⁵²

S.No.	Caste
1	Reddy – 7
2	Kamma - 3
3	SC-(Mala) – 1
4	Brahmin - 1
5	Velama - 1
6	BC - 1
Total	- 14

Figure 8: Caste-wise break down of Andhra Pradesh's Chief Ministers¹⁵³

CHAPTER 6: TYING THE LOSE ENDS

Polepally Village of the Mahbubnagar District occupies an interesting and vibrant part of Andhra Pradesh's history, which might not be guessed from its technologically backward and political corrupt climate. I find it fascinating that this region was, just over

¹⁵² Ibid.

¹⁵³ Ibid

50 years ago, engaging in a highly energetic revolutionary uprising, and, still today, Telangana is fighting for separate statehood. Yet in the face of aggressive development plans, the small and marginal peasants of Telangana, along with agrarian communities all across India, are paddling hard just to stay afloat. This is not incomprehensible given the austere nature of the neo-liberal regime.

What I have outlined in the way of economic liberalism's *austerity* does not rely disproportionately on archaic historical examples. It is true that in most societies there have, since time immemorial, been factions vying for power resulting in an uneven distribution of wealth. I *do* argue that historical developments, such as the domination of the *dalams* by Reddys during the Telangana armed struggle (1946-1951), have simply been capitalized on by modern political strategy. As such, my more crucial point is that modern actors are creating hierarchy in novel ways; whereas before people were bonded to more crude and blatant systems of exploitation such as *vetti*, today economic actors use the liberal value of "development" to mask inequality. In fact, the Special Economic Zone Act (2005) encourages the institutionalization of inegalitarian relationships. To be more exact, the mechanism by which the SEZ is passed is highly calculated; it reflects what I hypothesize to be a *comprehensive state strategy in demobilizing dissent*. As my data and interviews showed, the strategy was highly effective in Polepally, as the acquisition period brought on atomization in detrimental proportions. The new relationships that emerged from these economic and political ruins are, again, categorized by **Figures 3 and 4** below.

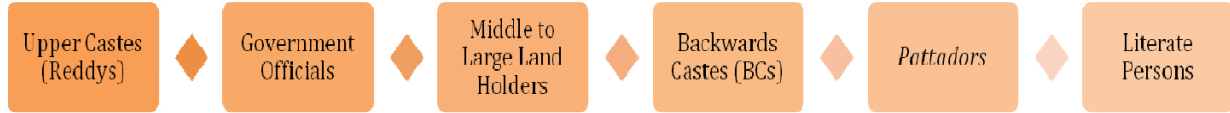


Figure 3: Continuum of those who are most likely to be co-opted by the SEZ actors.



Figure 4: Continuum of those who are most likely to be neglected by SEZ actors.

Because middle to large pattadors from the Reddy caste became clients in the SEZ-driven land acquisition, they were active agents of demobilization of the lower castes. These citizens either were able to preserve the whole of their property or loose only part of their lands, leaving their remaining property to escalate in value. Recall, medium to large “landlords” who owned, on average 19.95 acres of land, were able to retain 64% of their property, whereas anyone with 10.8 acres or less lost almost all of their land to the SEZ. Given that these are usually contiguous plots of land, it is no coincidence that land was acquired mainly from small land holders, STs, SCs, assigned land holders and illiterates. Reddys and landlords ended up profiting through higher compensation and being granted employment positions in the SEZs. They gained the recognition and favoritism of local officials. These measures created an undoubtedly populist air in Polepally, consolidating support for the Congress party. Expectedly, those of the poor land-losing sections of Polepally have a grave disdain for the INC. In a

documentary on Polepally by C Vanaja, we see two ladies, Jangamma and Moglimma, making a goat offering to the gods, pleading for the “death of YSR”. When his plane crashed in the hills of Andhra Pradesh in July 2009, they celebrated. The replacement Congress Party Chief Minister, K. Rosaiah, continues to express impenetrable support for the SEZ today. In November 2009 he advanced the idea that the “misconception over Polepally SEZ” would disappear with the inauguration of pharmaceutical units, citing the creation of over 5,000 jobs. “People opposing SEZ should take note of this fact,” he said smugly.¹⁵⁴

FURTHER RESEARCH REQUIRED AND FINAL REMARKS

The Indian SEZ is not alone in its magnitudinous disregard for farmers’ rights. Global land grabbing has become a source of deep concern for peasant scholars all across the world, particularly in the Global South. The recent formation of the Land Deal Politics Initiative, a joint effort of five top research institutions in the world, was a response to the urgency of the “global land grab”. According to The Future Agricultures Consortium (2009), “The phrase ‘global land grab’ has become a catch-all phrase to describe the current explosion of (trans)national commercial land transactions...” There is a “dramatic re-valuation of land ownership” going on, “as powerful transnational and national economic actors tap into lands outside their own borders to provide food and energy security at home.”

This subject matter is gaining more and more importance. I encourage other young scholars who are serious about finding solutions to the agrarian question to invest their energy into finding alternatives to land grabbing and debunking populist myths that

¹⁵⁴ ‘A.P. Number one in Pharma Exports’ Nov 21, 2009. *The Hindu*.
<http://www.hindu.com/2009/11/21/stories/2009112158450100.htm>

pacify farmers. As stated a number of times throughout this thesis, neither the Indian SEZ Act nor the Land Acquisition Act of 1894, provides a comprehensive rehabilitation package to the deprived farmer. SEZ political actors show no interest in conducting impact assessments in regards to different SEZs. Thus, it is our job as scholars to shift the world's focus to these core issues and ally ourselves with the farmer while producing high quality, scientific information on the crisis at hand.

My research demands that we examine the village with prudence. The village is a microcosm of the larger political trends that are transpiring at the national and even the global level. Aside from my own gain in writing this, I would find my work a disappointment unless someone decided to build something atop of it. In this regards, I suggest two key areas in which this research could have further implications. First, to further test the scientific value of my deductions, one could conduct a comparative study among Indian or other South Asian states that tests for a correlation between the success of neo-liberal policies and the strength of populist politics. Factors that would signify that agrarian populism is ingrained in the political motif of a given place are: the presence of personalistic actors, patron-client linkages and bribes (especially during times of elections) and the rapid move towards the capitalistic mode in the countryside, either by SEZ or other foreign investment-oriented enclaves. Insofar as crafting a methodology, one could design a numerical value system to assign populist characteristics, while simultaneously examining the success or failure of marginal farmer resistance. If there is a correlation between the failure of peasant movements and the pervasiveness of agrarian populism, there would be further evidence of this strategy for demobilization. Then again, if there was not any degree of neopopulism and the movement still failed, there

would be room to reconsider the deductions I have put forth in this thesis. Of course this would require a level of precision in accounting for outside factors that might impact a farmer community's ability to organize, for example the accompaniment of outside activists who may have separate agendas. Secondly, it would be of high value for political researchers to embark on a mission in mapping caste relationships in relationship to resistance. Currently, Indian government census, rather unfortunately, does not include caste in any of its measures. This makes it very difficult to notice these seemingly glaring cleavages that are created and dissolved to expeditiously pass massively unpopular reforms. Thus, without the work of non-governmental researchers making these connections, they are unlikely to be recognized, given weight to and acted upon. Most promising in a caste-based analysis would be the potential to investigate whether certain factions of peasantry are capable of waging agrarian revolution in the Indian neoliberal context. The landless peasant and the migratory laborer seemingly have nothing to gain from the SEZ and the SEZ actors have no reasons to patronize them. Are landless peasants willing and able to resist global land grabs? This would be an extremely interesting subject to delve deeper into.

Finally, this thesis set sail from a position where conflict, dissent, and rebellion are in fact legitimate factors to consider in assessment of development models. Aspiring researchers must come to value political rebellion as an academic subject in itself. In a recent letter to the Planning Commission of India titled *Development Challenges in Extremist Affected Areas* an expert group advises "dissent or expression of dissatisfaction is a *positive feature of democracy* (emphasis added)" and that "unrest is often the only thing that actually puts pressure on the government to...live up to its own promises." The

group further expresses concerns about the Indian Government's egregious violations of the right to protest, where even "non-violent agitations are met with severe repression" (2008).

Ultimately, it must be remembered that peoples' movements, often working to give "land to the tiller" (the most crucial form of poverty alleviation) and reclaim control of strained resources, are rooted in a local consciousness of deprivation. At the same time, these movements often have impacts far beyond the local scene. In Telangana, revolutionaries have moved thousands of metropolitan activists, intellectuals, and young people to think about their terms of power differently (Balagopal 1997). They have inspired people to take matters into their own hands and have effectively, "turned power on its head", stealing a line from Ranajit Guha (1999). If we ever wish to truly understand the nature of the agrarian question, we must rigorously enforce dialectical relationship with those millions upon millions of small farmers who are now coming into contact with the austere tentacles of the global neoliberal regime.

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Appendix: Survey of Polepally People

Survey Administrator: Samantha Agarwal

Village: Polepally Mendal: Jadcherla Block: Mahbubnagar State: AP

Section: Family Information

A1. What is your name? _____

A2. What is your date of birth? _____

A3. Gender: 1. Male 2. Female

A4. Marital status?

1. Married 2. Unmarried 3. Divorced/Separated 4. Widowed

A5. Type of family: Joint_____ Nuclear_____

A6. Women headed household? Y_____ N_____

A7. Relationship to head of the household: 1. Spouse 2. Parent 3. Sibling 4. Grandparent
5. Cousin 6. Child 7. Self

A8. List each child, their age, gender, literacy and level of education.

Child	Age	Gender	Literate?		Education
			Yes	No	
			0	1	
			0	1	
			0	1	
			0	1	
			0	1	
			0	1	
			0	1	

A9. Till what level have you studied? _____ (*Record exactly*)

A9a. (*If Married*) Till what level has your husband/wife studied? _____ (*Record exactly*)

A9b. Till what level have your parents studied?

Father: _____ Mother: _____

A10. What is your current occupation (circle all that apply)? 1. Working on my own land
2. Daily wage in agriculture 3. Daily wage in SEZ companies. 4. Full time employed in

SEZ companies 5. Business 4. Teacher 6. Government Job 7. Contractor 8. Housework 9. Student 10. Retired 11. Other (Specify) _____

A10a. (If Married) What is your husband/wife's occupation? 1. Working on my own land 2. Daily wage in agriculture 3. Daily wage in SEZ companies 4. Full time employed in SEZ companies 5. Business 4. Teacher 6. Government Job 7. Contractor 8. Housework 9. Student 10. Retired 11. Other (Specify) _____

A11. Caste/ Jati-biradari/ Tribal name? _____

A11a. Sub caste: _____

A12. Religion:

1. Hindu 2. Muslim 3. Christian 4. Sikh 5. Buddhist 6. Jain 7. Parsi 8. Other

Section: Living Stability

B1. Have you been living in this village for past 3 yrs or more? Y____N____

B2. Have you stayed away from home in the last 3 years for more than 60 days?

Y____N____

B2a. If yes, what is your usual activity at time of migration? 1. Agricultural Labor 2. Non-agricultural labor 3. Searching for fodder 4. Visiting relatives 5. Seeking refuge 6. Other _____

B3. Have you or any of your family members been suffering from any severe or recurring illnesses? List sicknesses of family members.

- 1.
- 2.
- 3.
- 4.
- 5.

B3a. What are your annual medical expenses? _____

B3b. Have there been any deaths in your family in the past 10 years? Y____N____ **If**

Yes, what was the cause of death? 1. Suicide 2. Heart attack 3. Stroke 4. Accident 5. Alcoholism 6. Disease 7. Other (explain) _____

B4. House type: 1. Pacca with concrete roof 2. Pacca with terracotta roof 3. Pacca with straw roof house 4. Mud hut 5. Homeless

B4a. Indirama Gandhi house? Y____N____

B5. Vehicles: 1. Cycle 2. Motorbike 3. Moped 4. Rickshaw 5. Car/truck 8. None

Section: Agricultural Labor (only for individuals with jobs in agriculture)

C1. How many hours/day do you labor on a field? _____

C2. How much of the land that you labor on belongs to you? _____ acres.

C3. How many months out of the year do you work agriculture labor? _____

C4. Have you been jobless at all in the past 5 years? Y___N___ **If yes**, for how long were you jobless? _____

C5. Why were you jobless? 1.Work finished and couldn't find new work 2.Land was purchased 3.Was fired 4. Job discrimination 5.Other (specify)_____

Section: Land Ownership (only for families who own land or have owned land in past 15 years)

D1. How many acres of land does your family own today?_____

D1a. How many separate plots? _____

D1b. Average distance from house?_____ km

D2. Ownership: 1.Inherited (pattah) 2.Government assignment 3.Ceiling 4.Sharecrop 5.Leased Sharecrop 6. Purchased 7.Other (specify)_____

D2a. How much of the land is pattah _____ How much is assigned _____?

D3. What year did your family acquire the land? _____

D4. Has your family ever sold any land? Y_____ N_____ **If yes**, how much? _____ acres What year did you sell your land? _____

D4a. Reason for selling: 1.Government development project (SEZ) 2. Private development project (real estate) 3.Distress sale/needed money 4.Other (explain)_____

D4b. How much money was paid for that land? _____rs

D4c. How long after you sold the land did it take for you to receive the money? _____

D4d. What did you do with the money? _____

D4e. Were you given the option to sell that land (as opposed to being forced into selling it)? Y___N___

D4f. After you sold your land, were you or any of your family members employed in the companies? Y___N___

D5. Have you purchased any land in the past 15 years? **If yes**, what year did you buy it?
_____ How much did you buy? _____

D5a. Did someone help you in purchasing the new land? Y_____N_____ Who?

Sub Section: If the person lost his/her land, ask about the last year they farmed.
If they did not lose their land, ask about 2008.

D6. Utilization of land: 1. Commercial crops 2. Vegetables 3. Herbs 4. Fruits 5. Other trees 6. Fallow 7. Non-agricultural use 8. Leased out 9. Land was sold

D7. Agricultural Items: 1. Disc plates for turning soil 2. Plough 3. Harrow (for inter cultivation small/big blade) 4. Gorru (for seeds) 5. Dhindel (weeding) 6. Threshers (harvesting machine) 7. Grain processing machine 8. Spraying machine 9. Culavera 10. Bullock cart 11. Cattle (If you check cattle, how many animals do you own? _____)

D8. Irrigation (circle all that apply): 1. Bore well 2. Tank 3. Pond canal 4. Drip irrigation 5. Check dam 6. Have, but not working 7. All crops are rain-fed..

D9. Is any of your land fallow? Y_____N_____ **If yes**, why? 1. Poor soil 2. Lack of water 3. No resources to cultivate 4. Labor shortage 5. Needs leveling 6. Needs de-stoning

D10. How long has it been fallow? _____

D11. Amount spent annually on growing? _____

D12. Total cost of your living (when you owned land)? _____rs/year

D13. Amount spent annually on growing crops? _____

D14. Annual profit from farming _____rs?

D15. How do you sell your goods? A. Middle man comes to the land to buy from individual. B. Individually goes to farmers' market and sells. C. Other

The Following Chart applies to the most recent year in which the farmer has grown crops on his/her own land. Provide year_____.

Top 5 Crops	Number of Varieties Grown of Crop	Yield (Quintals)	% Sold and % Consumed	Pest Management? How much spent on this?	Fertilizers? Organic or Chemical?	Crop failure?	
						Yes	No
						0	1
						0	1
						0	1
						0	1
						0	1

Section: Family Income/Debt.

E1. What is your annual cost of living today? _____

E2. Have you taken any loans in the past 15 years? Y____N_____

E3. Amount taken? _____

E4. From whom? A. Private bank B. Government bank C. Friend/family D. NGO

E5. Have you ever been in debt? Y_____N_____For how long?_____

E6. Amount paid?_____ Amount owed still?_____ Interest?_____

Section: Participation in Government and Other programs

F1. How many ration cards does your family get? _____ What kind of card is it?_____

F2. Do you have an NREGS (100 days work) job card? Y_____N_____

F3. If YES, how many days did you work under NREGS in 2008? _____

F4. What was your average daily wage under NREGS?_____

F5. How many hours have you worked for NREGS in 2009? _____

F6. What kind of work were you doing under NREGS? 1.Agricultural labor 2. Building roads 3. Building bunds 4. Digging holes 5. Chopping trees 6. Collecting wood

F7. Are you a part of any self-help group/ sangham? Y_____N_____